



SUMMARY RECORD OF THE 12th MEETING

Chairman: Mr. DIETZE (German Democratic Republic)

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GENERAL DEBATE (continued)

ELECTION OF OFFICERS

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The meeting was called to order at 3.25 p.m.

GENERAL DEBATE (continued)

1. Mr. OULD HADRAMI (Mauritania) said that the current economic crisis highlighted the inability of the existing economic order to respond to new world requirements. The public debt of the developing countries was more than \$600 billion, the interest on that debt was extremely high, sources of investment and technological resources were contracting, and protectionist barriers were constricting the flow of goods between the poor and the industrialized countries. Faced with that situation, the developing countries had begun to lay the foundations for South-South co-operation, which, nevertheless, was not a substitute for a genuine North-South dialogue, as had been pointed out by the Chairman of the Group of 77. The non-aligned countries had, therefore, proposed the launching of the global negotiations envisaged in General Assembly resolution 34/138, and, at the most recent summit meeting held at New Delhi, they had called for a two-phase approach and the holding of an international conference on money and finance. The developed countries must respond to those proposals, which had so far, with few exceptions, not elicited any favourable response from them.

2. The non-oil-producing developing countries were facing serious difficulties with respect to energy. His delegation therefore attached great importance to the activities of the United Nations concerned with new and renewable sources of energy. The resources necessary for the implementation of the Nairobi Programme of Action should be mobilized, as had been pointed out in May 1983 by the Committee on the Development and Utilization of New and Renewable Sources of Energy.

3. The drought which had affected Mauritania for the past several years had destroyed three quarters of the country's livestock, which was particularly serious since stockraising accounted for 80 per cent of the rural gross domestic product. Also as a consequence of the drought, cereal production in 1983 would cover only one tenth of the country's requirements, which were only 200,000 tons per year, whereas at other times the country had been self-sufficient in food. All those factors had led to an uncontrolled exodus to the cities, the most massive population movement in the country's history. In the circumstances, there was an urgent need for the international community to pursue a policy of food security, the highest priority of which should be the achievement of food self-sufficiency by the developing countries. The resources of the United Nations Sudano-Sahelian Office, the International Development Association and the International Fund for Agricultural Development should be substantially increased. In addition, emergency food aid should be provided to the African countries most seriously affected by chronic food shortages.

4. Mr. NGAOSYVATHN (Lao People's Democratic Republic) said that the increasing impoverishment of the developing countries - which, as had been pointed out by many speakers, was the result of the deterioration in the terms of trade, protectionist measures and tremendous indebtedness, aggravated by the exchange rates for the dollar and interest rates - did not reflect an interdependent relationship - which

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(Mr. Ngaosyvathn, Lao People's  
Democratic Republic)

presupposed an equality which did not exist, and indeed had never existed - but rather a relationship of dependence, inequality and domination imposed during the colonial period and reinforced by neo-colonialism. In the current structural and cyclical crisis, the developed countries were attempting by every means at their disposal to defend their privileges at the expense of the underdeveloped countries, and they did not shrink from using intimidation, blockades, embargoes, sanctions and illegal measures, which represented the continuation of war by other means.

5. In the preceding eight years, the Lao People's Democratic Republic had achieved food self-sufficiency and virtually universal literacy, despite the unfavourable international situation. It had been assisted in its efforts by the socialist and other friendly countries, international organizations and all peace-loving and justice-loving peoples, and had had to contend with an economic blockade, an embargo on more than 200 products, foreign interference, sabotage and psychological warfare waged by the reactionaries of the region, abetted by hegemonistic expansionism and imperialism.

6. In the current situation, the developing countries had demonstrated flexibility but were confronted with the intransigent attitude of the majority of developed countries, which benefited from the existing international economic relations. Nevertheless, the developing countries had reaffirmed their reasonable and realistic proposals, such as those contained in the recent declaration of the Ministers for Foreign Affairs of the Group of 77, which enjoyed the full support of the Lao People's Democratic Republic. Since development and peace were two facets of the same hope for mankind, his country reaffirmed its unconditional support for the many peace initiatives of the socialist countries.

7. Mr. JAMAL (Qatar) said that the international economic crisis was compelling many developing countries to resort to borrowing in order to meet debt-servicing payments and to seek new grace periods. Rising interest rates, on the one hand, which had made it more difficult to obtain financing, and declining export earnings as a result of protectionism, on the other, had forced the developing countries to curtail their development projects. According to the most recent report of the World Bank, despite a slight improvement in the world situation, economic conditions in the developing countries had worsened, in particular in those countries whose chief source of income was the export of commodities. Many of those countries, especially in Latin America, faced serious liquidity crises. The report predicted that by the end of the current decade the per capita income of many African countries would fall below the levels of the 1960s. In the light of such information, his delegation believed that, although the economies of the developing and the developed countries were interdependent, economic recovery in the latter would not necessarily lead to improvements in the economies of the former.

8. The International Monetary Fund and other multilateral financial institutions played a catalytic role only in processing loans from commercial banks to developing countries. In various international forums, attention had been drawn to

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(Mr. Jamal, Qatar)

the need for multilateral development banks and IMF, and also UNDP, to play a more important and active role in support of the development policies of the countries of the third world. In that respect, the possibility of improving the existing institutions and perhaps establishing new institutions should be considered.

9. At the sixth session of UNCTAD it had not been possible to draw up a programme to implement the reforms proposed by the majority of member States to alleviate the burden of debt, increase the world monetary reserve for development through the establishment of new special drawing rights, control the decline in prices for commodities and persuade industrialized countries to open their markets to commodities from the third world. That resulted from the intransigence of the industrialized countries which refused to recognize that the critical deterioration of the world economy required radical changes.

10. The study and implementation of the complex reforms which needed to be carried out in the international economy required a speedy initiation of the global negotiations proposed by the developing countries with a view to establishing a new economic order which would take into account the changes which had occurred in economic relations since the Second World War. If the contradiction between current realities and the antiquated economic norms which were still in force was not resolved, the world would move into increasingly contradictory and complex situations.

11. Mr. SILWAL (Nepal) said that, after hearing the statements made at the current session about the seriousness of the international economic crisis, it could be concluded that both the developed countries and the developing countries were aware of the need for mutual and interdependent development. Yet the reality often tended to belie that conclusion. For example, although the entire world had been calling for the reallocation of the resources spent on armaments for the purposes of economic and social development, that expenditure had escalated in a very short time to the staggering figure of \$600 billion. Similarly, despite the persistent efforts of the developing countries to launch global negotiations, the results of the past four years had been discouraging. The developed countries should take a positive view of the constructive formulas proposed at the beginning of the year by the Seventh Conference of Heads of State or Government of the Non-Aligned Countries, and in particular the two-phased approach to global negotiations, the initiation of negotiations for implementing immediate measures and the call for an international monetary and financial conference.

12. The current recession particularly affected the least developed countries which were very vulnerable because of their fragile economic structures. It was encouraging that the statements made during the general debate had reiterated the commitment of many countries to the Substantial New Programme of Action for the 1980s for the Least Developed Countries, approved two years previously at the United Nations Conference on the Least Developed Countries. However, that commitment must be matched with action. In particular, it was imperative that the target of allocating 0.15 per cent of gross national product as official development assistance for the least developed countries should be achieved

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(Mr. Silwal, Nepal)

by 1985. In Nepal, a least developed and land-locked country with special physical features, the problem of development was particularly acute, and that should not escape the attention of the world community. Resolution 137 of the sixth session of UNCTAD had reflected the concern of the international community about the problems of land-locked developing countries, which now needed to be translated into action.

13. The lack of resources commensurate with the increasing responsibilities of UNDP and other operational agencies of the United Nations system eroded their effectiveness at a time when the need for multilateral assistance had reached unprecedented levels. For example, the indicative planning figure for the UNDP country programme had already been reduced to 55 per cent. The other operational funds, especially those designed to help the least developed countries such as the Special Measures Fund for the Least Developed Countries, the United Nations Capital Development Fund and the United Nations Special Fund for Land-Locked Developing Countries did not have sufficient resources, and the donor countries should adopt a constructive attitude in that respect.

14. Over the past two years there had been encouraging progress in South-South co-operation, and his delegation fully supported the steps taken by the Group of 77 to strengthen that trend. In that context, the regional co-operation activities in southern Asia, involving Bangladesh, Bhutan, India, the Maldives, Pakistan, Sri Lanka and Nepal, should be noted. In that framework, a comprehensive programme of action had been drawn up which would represent an important contribution to economic co-operation among developing countries.

15. Mr. BLANCO (Uruguay) said that the crisis affecting the international economy had revealed the interdependence of all economic systems. Even the great Powers and nations with the most varied economic and political systems were being affected by the situation. In those circumstances, the responsibility entrusted to the General Assembly under Article 60 of the Charter to solve international economic problems could not be limited to a mere rhetorical exercise. Public opinion awaited action and concrete measures which would at the very least indicate definite progress towards a tangible objective. The discouraging results of the sixth session of UNCTAD, the absence of agreement on the launching of global negotiations and the attempts at North-South dialogue in forums outside the United Nations demonstrated the need for the General Assembly to take up the question in a decisive fashion and formulate political guidelines for economic co-operation.

16. Bearing in mind the global nature of the current crisis and the urgency of the problems faced, swift and co-ordinated action was required to confront the most acute aspects, concentrating efforts on some of those aspects such as external financing and international trade which had been highlighted in the Santo Domingo commitment adopted by the countries of Latin America and the Caribbean and in the recent Declaration of the Ministers of Foreign Affairs of the Group of 77. His delegation, in accordance with that Declaration, was in favour of a joint effort to launch global negotiations and establish urgent measures for the most critical aspects.

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(Mr. Blanco, Uruguay)

17. International trade was the key to resolving the short-term problems and also long-term questions. Only the expansion of that trade could offer the developing countries the co-operation they required without paternalism or situations of dependency. In that respect the General Assembly, while respecting the spheres of competence of the specialized bodies (GATT, IMF, etc.), should establish some basic criteria at the current session such as: reiterating the basic relationship between the expansion of international trade and development possibilities; reaffirming the need to expand international trade and eliminate protectionist measures; recognizing the primary responsibility of the industrialized countries in achieving that objective; drawing attention to the need for the developed countries to put an end to the subsidization of exports and to practices which artificially distorted international markets, in particular for agricultural and food products; promoting an increase in international resources allocated to food aid; calling for a substantial increase in the resources of IMF; inviting GATT to carry out joint studies with the Secretariat with a view to implementing those criteria; and intensifying contacts between the various international bodies to consider possible emergency measures in the financial field.

18. His delegation reiterated its support for the World Food Council as the central co-ordinating and supervisory body of the United Nations system with respect to food problems. While many countries suffered from food shortages, malnutrition and even hunger, the developed countries had vast stockpiles of food reserves which were not used. Trading in food was profoundly affected by the trade barriers imposed by developed countries. Until protectionist practices were abolished, food security would be threatened and there would be no opportunity to make full use of the productive resources of vast areas of the developing world. There must be a joint effort to finance the technical assistance required to enable the developing countries to increase substantially food production and marketing. Because of their high protein value, meat products should occupy a prominent place in that effort.

19. Mr. CAMARA (Guinea) said that the current economic crisis was the longest and most hazardous since 1930, and the developing countries were suffering the disastrous consequences of the self-centred policies pursued by some developed countries. One of the main causes of the crisis was the tremendous arms race engaged in by the major economic Powers so that they might divide the world into zones of influence and grab where possible the resources of developing countries. The global indebtedness of the latter was almost equal to the amount spent each year on the arms race (approximately \$800 billion). According to Mr. Brandt, 0.5 per cent of global military expenditure each year would pay for all the agricultural equipment required to boost world food production and to reach self-sufficiency by 1990 in low-income countries. Disarmament was today a prerequisite for development.

20. If the crisis was to be overcome, a positive economic environment must be created in the developing countries, which must accordingly increase their export earnings. To that end, the developed countries should demonstrate the necessary political will for the launching of global negotiations with a view to the

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(Mr. Camara, Guinea)

restructuring of international economic relations. His delegation also supported the convening of an international conference on money and finance, and it considered that official development assistance must be increased and the Substantial New Programme of Action for the Least Developed Countries must be implemented promptly.

21. The food and agricultural situation was of particular importance in the developing countries and, more specifically, in Africa. Many African countries were obliged to set aside a large portion of their export earnings in order to be able to buy foodstuffs. To remedy that situation, Guinea had been implementing for a number of years an extensive rural development programme based on food and exports production through the establishment, at the level of the basic unit of society, of agricultural holdings in which young university students, with technical equipment and appropriate material supplied by the Government, employed modern and scientific methods to improve productivity. However, the success of that enterprise depended in part on the quality and volume of technical and financial assistance from public and private international bodies.

22. Agricultural problems were compounded by the persistent drought which, in Guinea, was gradually stripping the slopes of the Foutah-Djallon massif of their forests and threatened to turn into desert a large part of Guinean territory, in which rose many international waterways. The world community, by providing substantial assistance for the implementation of the programme to combat desertification in Africa, would be acting in solidarity with the joint struggle of the African countries against the drought. Guinea also counted on co-operation among developing countries, which was an integral part of the struggle to establish a new international economic order.

23. Mr. KHOO (Malaysia) said that the world economic situation was far from healthy and, in a world that was so closely interdependent, solutions would not be possible without co-operation between the developed and the developing countries.

24. Like other developing countries, Malaysia had felt the effects of depressed prices for commodities, while sales of its manufactured goods were hampered by protectionist policies in the importing developed countries. At the same time, the goods which the developing countries imported from the developed countries had increased in price. Despite that situation, Malaysia maintained its faith in international commodity agreements, as demonstrated by its ratification the previous month of the Agreement Establishing the Common Fund for Commodities. The Committee must do its utmost to bring about the reduction of protectionism, since otherwise the world economy might not be able to achieve a sustained, non-inflationary growth and the developing countries would continue to experience difficulties.

25. Major restructuring was required to deal with the trade, financial and monetary problems besetting the world. In that connection, the international community should think in terms of a new Bretton Woods conference, but one prepared in such a way as to ensure benefits for both developed and developing countries.

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(Mr. Khoo, Malaysia)

His delegation supported the proposal to establish a preparatory group comprising 20 ministers, the heads of IMF, the World Bank, GATT and UNCTAD and the United Nations official dealing with international economic co-operation.

26. He repeated the ideas which his delegation had presented to the Committee in 1982 and which were designed to spur the world economy towards recovery: the world economy was an open system based on interdependence; multilateral exchange free from political interests would promote growth and development; any exchange based on mutual gain would augment benefits to all; no country should impose terms on its trading partner under any circumstances; the basis of the free enterprise system was a free flow of goods and services and a stable and acceptable monetary value for such resulting from negotiations on mutually acceptable terms; the adjustment and the restructuring of the world trading and monetary systems were required because of changing situations and changing behaviour in the market place; new commodity trading arrangements would help to prevent price manipulations that were to the disadvantage of producing countries and would enhance the opportunities for countries to buy and sell when and where they received a fair deal; relationships based on the archaic concept of domination should be terminated; high interest rates and unjustified trade barriers were obstacles to full employment and the goals of a better diet, plentiful harvests and improved value for products and exports; countries were at different stages of development; the less fortunate required assistance, which they should receive according to their urgent needs; international funding was needed to overcome global economic problems, and those in a position to do so should contribute generously. Lastly, he expressed his delegation's full support for the statement made by the Chairman of the Group of 77.

#### ELECTION OF OFFICERS

27. The Chairman said that further consultations were required in order to reach consensus on the officers of the Committee; he therefore suggested that the consideration of the item should be postponed.

28. It was so decided.

The meeting rose at 5.05 p.m.