



UN/ISA COLLECTION

SUMMARY RECORD OF THE 44th MEETING

Chairman: Mr. DIETZE (German Democratic Republic)

CONTENTS

AGENDA ITEM 78: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (continued)
- (b) TRADE AND DEVELOPMENT (continued)
- (d) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT: REPORT OF THE INTERGOVERNMENTAL COMMITTEE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (continued)
- (f) ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued)
- (j) EFFECTIVE MOBILIZATION AND INTEGRATION OF WOMEN IN DEVELOPMENT (continued)
- (k) UNITED NATIONS SPECIAL FUND (continued)
- (m) IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued)

AGENDA ITEM 80: TRAINING AND RESEARCH (continued)

- (a) UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (continued)
- (b) UNITED NATIONS UNIVERSITY: REPORT OF THE COUNCIL OF THE UNITED NATIONS UNIVERSITY (continued)
- (c) UNIFIED APPROACH TO DEVELOPMENT ANALYSIS AND PLANNING: REPORT OF THE SECRETARY-GENERAL (continued)

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Distr. GENERAL
A/C.2/38/SR.44
25 November 1983

ORIGINAL: ENGLISH

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A/C.2/38/SR.44

English

Page 2

CONTENTS (continued)

AGENDA ITEM 81: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued):

(b) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE: REPORTS OF THE SECRETARY-
GENERAL

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

AGENDA ITEM 78: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued) (A/38/3 (Parts I and II), A/38/57, 68, 106, 132 and Corr.1-2, A/38/168, 186 and Corr.1, A/38/209, 302, 303, 324, 325, 329, 425, 479, 494, 495, 529, 537; A/C.2/38/3, 5 and 6)

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (continued)
- (b) TRADE AND DEVELOPMENT (continued) (A/38/15, Vols. I and II; A/38/363, 487, 557, 580; TD/325 and Add.1; A/C.2/38/L.2 and L.3)
- (d) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT: REPORT OF THE INTERGOVERNMENTAL COMMITTEE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (continued) (A/38/37 (Part I and Corr.1 and Part II))
- (f) ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued) (A/38/39, A/38/493)
- (j) EFFECTIVE MOBILIZATION AND INTEGRATION OF WOMEN IN DEVELOPMENT (continued)
- (k) UNITED NATIONS SPECIAL FUND (continued)
- (m) IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued) (A/38/471)

1. Mr. BIRIDO (Sudan) said that the developing countries were determined to overcome the difficulties affecting multilateral co-operation. Their commitment in that respect was exemplified by the Buenos Aires Platform, but unfortunately there had been no similar resolve on the part of the developed countries. The results of the sixth session of the United Nations Conference on Trade and Development (UNCTAD) fell far short of the expectations of the developing countries. They could, however, serve as a basis for a consensus on trade, commodities and financing issues and thereby contribute to the restructuring of international economic relations and the establishment of the new international economic order.

2. The Trade and Development Board's most recent session had confirmed that the developed countries were still taking an intransigent position. Economic co-operation among developing countries was an integral part of efforts to restructure international economic relations, and the developed countries should be more understanding of the efforts of the developing countries to promote such co-operation. The Committee should endorse Trade and Development Board resolution 274 (XXVII) so that those efforts could be further strengthened.

3. His delegation commended UNCTAD's efforts relating to the reverse transfer of technology and urged it to continue them on the basis of General Assembly resolution 37/207, but it regretted that the Secretary-General had failed to establish an inter-agency group to co-ordinate matters relating to the reverse

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(Mr. Birido, Sudan)

transfer of technology, as proposed in that resolution. The argument that the Secretariat had been waiting for the outcome of the Meeting of Governmental Experts was not acceptable. His delegation therefore hoped that the Secretary-General would take the necessary measures to establish the inter-agency group at once.

4. The report on the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries (A/38/471) reflected the deteriorating social and economic situation faced by those countries, the steps they had taken to deal with it and the support that the international community had extended to them. It also indicated that a number of donors, including major ones, had not yet met their commitments. His delegation was grateful to those who had, and urged those who had not to increase their assistance in real terms.

5. His delegation hoped that appropriate preparations would be made for the reviews of the implementation of the Substantial New Programme of Action and of the International Development Strategy with a view to providing necessary and additional resources to the least developed countries in order to enable them to achieve the objectives of their country programmes.

6. It was impossible not to feel growing disappointment at the pace of implementation of the Vienna Programme of Action on Science and Technology for Development. The lack of enthusiasm on the part of all Governments had been clearly reflected at the five sessions of the Intergovernmental Committee on Science and Technology for Development, where any modest progress had been undermined by the apparent deadlock over the establishment of the Financing System. The degree of commitment to that System must be ascertained, and the Secretary-General should endeavour to convene the pledging conference for it before the end of the current session of the General Assembly. The uncertainty surrounding the establishment of the system was detrimental to the general international atmosphere and to the prospects of ever seeing the System become operational.

7. Mr. DE SILVA (Sri Lanka), referring to the question of trade and development, said that the developing countries were facing a frustrating stalemate in the North-South dialogue and an inadequate response to their needs and problems. The austere economic policies that many of them had adopted as a consequence of the unfavourable world economic situation could be effective up to a point, but when their economies deteriorated as a result of those measures, political and social stresses could surface and threaten peace and stability. His country had ratified the Agreement establishing the Common Fund for Commodities and was very anxious for it to be implemented as soon as possible, ideally by 1984.

8. The International Development Strategy was the international community's response to the challenge of ensuring effective and meaningful co-operation for development. Unfortunately, progress towards the realization of the Strategy's objectives and towards the acceleration of the development process had fallen far short of expectations. His delegation looked forward to the opportunity to review the implementation of the Strategy and to reassess policies and priorities in the hope that the international community would reaffirm its commitment to the Strategy's objectives and adopt the necessary measures to improve and accelerate its implementation.

(Mr. De Silva, Sri Lanka)

9. With regard to science and technology for development, the successful implementation of the Vienna Programme of Action was of great concern to developing countries, including his own. The key to it lay in the establishment of a Financing System, and his delegation had been encouraged by the progress made at the recent meeting of the Intergovernmental Committee. He urged the international community to buttress its commitment to international economic co-operation by launching the Financing System as soon as possible.

10. The developing countries had recognized the urgent need to manage their economies in a purposeful and self-reliant manner. They were aware, however, that the results of such efforts would be determined largely by international factors. His delegation attached great importance to economic and technical co-operation among developing countries, as provided for in the Caracas Programme of Action and the Buenos Aires Platform.

11. With regard to the role of women in development, the granting of universal adult franchise to women in 1931 in Sri Lanka had enabled women to participate directly in the country's political life, and the process of integrating women in development had inevitably been accelerated. Many institutions, including a separate ministry, promoted and co-ordinated women's development activities. His delegation supported the international community's efforts to promote the involvement of women in development.

12. Finally, Sri Lanka welcomed the fact that many countries had already adopted positive policy measures in connection with the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

13. Mr. RAKOTONAIVO (Madagascar) said that his delegation attached special importance to the review of the International Development Strategy for the Third United Nations Development Decade, since that review should make it possible to determine ways and means of ensuring the effective realization of the Strategy's purposes and objectives. Those objectives had by no means been attained, and the proposals made by the Under-Secretary-General for International Economic and Social Affairs for stimulating world economic growth should be considered thoroughly. His delegation hoped that all Member States and the organizations and agencies of the United Nations system would study the possibility of increasing their contributions in order to ensure the success of the Strategy.

14. International trade was going through a stage of recession, wild fluctuations in commodity prices and the proliferation of protectionist measures. The developing countries had been disappointed by the negative attitude of the developed countries towards steps to remove trade constraints. That attitude had greatly reduced the success of the sixth session of UNCTAD, but a spirit of dialogue and consensus had nevertheless prevailed there, and the admittedly limited results of the Conference, together with the proposals made by the Group of 77, might therefore serve as a useful starting point for negotiations within UNCTAD or in other international forums. The developed countries must work out specific programmes to eliminate all protectionist measures, while the developing countries would continue to favour an open and free multilateral trade system governed by international norms based on the most-favoured-nation clause and mutual interest and giving favourable treatment to the developing countries.

(Mr. Rakotonaivo, Madagascar)

15. It was essential to implement the Integrated Programme for Commodities and to take steps to promote the rapid conclusion of international commodity agreements. His country had signed the Agreement Establishing the Common Fund for Commodities and hoped that the Fund would become operational soon. Madagascar welcomed UNCTAD resolution 138 (VI) which called on the international community to provide appropriate financial and technical support to island developing countries to enable them to cope with their specific problems in transport, telecommunications and other fields.

16. Although international monetary and financial problems had been given serious consideration at the sixth session of UNCTAD, the Conference's decisions on the subject had been superficial at best. Similarly, the just demands of the third world countries had so far not been given the attention they deserved by the major industrialized countries and the relevant international institutions. It was essential to raise substantially the liquidity and financial reserves of the developing countries, increase flows of aid and other multilateral financial flows granted on favourable conditions and establish an institutional framework for debt-servicing operations. Those immediate steps must be supplemented by the overhauling of monetary and financial systems and the adoption by the developed countries of concerted growth policies to ensure the reduction of interest rates, an increase in demand, the stability of exchange rates and the openness of markets. In that connection, his delegation fully supported the proposals contained in the Buenos Aires Platform.

17. With regard to science and technology for development, his delegation attached particular importance to the activities of the Intergovernmental Committee on Science and Technology for Development relating to the establishment of guidelines for the formulation of projects and programmes, for such a measure would help strengthen the scientific and technological capacities of the developing countries. High priority should be given to the establishment of scientific and technological information systems, closer linkages between research bodies and national production systems and questions relating to training. His delegation attached special importance to the problems connected with technological adaptation and the endogenous development of new technological processes. International scientific and technological relations must be restructured with the main objective of reducing the technological dependence of the developing countries. It was encouraging to note that the Intergovernmental Committee had reached agreement on the institutional arrangements for the Financing System for the Vienna Programme of Action. The Committee must pursue its efforts with a view to mobilizing the necessary resources in order to make the System operational as soon as possible.

18. His delegation believed that South-South co-operation played an important role in international economic relations. In their Declaration (A/38/496, annex), the Ministers of Foreign Affairs of the Group of 77 had stressed the importance of adopting appropriate modalities and mechanisms at the operational level and had strongly supported the strengthening of financial and monetary co-operation among developing countries. His delegation had made specific proposals on that subject at Havana and appealed to all members of the Group of 77 to give them due consideration.

19. Mr. BOYD (United Kingdom) said that attempts to define development issues politically, especially as part of a "peace campaign", must be resisted. Those issues had to be treated substantively and practically, by applying intellect, effort and humanity.
20. The fact that the world was interdependent hardly needed to be pointed out: duty and self-interest interacted in the most obvious manner. The United Kingdom had invested heavily in the developing world and had a major stake in the peaceful and orderly evolution of international economic affairs.
21. World economic recovery was a central component of development and must be sustained and extended geographically. A recovery was indeed going on, but it was frail and might not last. Investment must be increased, interest rates must come down, protectionism must be reduced and a close look had to be taken at the pattern of debt maturities throughout the world. Recovery in the United Kingdom was fairly satisfactory and there was growing confidence that it would last through 1985, but the suggestion that those economies that were recovering should abandon all restraint was hardly sensible: renewed inflation and higher interest rates would serve no one.
22. His delegation welcomed the efforts of the developing countries to strengthen economic co-operation among themselves, since such co-operation would contribute to the growth and welfare of the world economy and their own economies.
23. His delegation endorsed the European Economic Community's remarks on food and agriculture and had welcomed the comment of the Group of 77 that the subject should be kept at the centre of the global agenda. It was, indeed, an area of great priority in which everyone should be able to work readily together. The picture was not entirely bleak, but if the current pattern of decline in agricultural production continued, particularly in Africa, there would be no development. The capacity of countries to feed themselves had to be rebuilt on a priority basis. His country understood the need for emergency help in response to the devastating situation in southern Africa and the Sahel, and had provided assistance to a number of countries in those areas. Much of the problem was long-term, and the United Kingdom therefore gave the highest priority to the improvement of food production and supply. It welcomed the emphasis placed on food and agriculture programmes by the World Bank and the regional banks.
24. The United Kingdom had increased its contribution to the United Nations Fund for Population Activities in recognition of the great demands placed on that body. It also greatly respected the United Nations Children's Fund's child health revolution.
25. The United Kingdom was committed to more productive international attitudes towards energy. Conservation, development and understanding should be given equal priority and rational pricing and active conservation of energy were required everywhere. Energy exploration and development in the developing countries must be promoted. Although the relief to the world economy from recent energy price trends was welcome, it was still necessary to invest for the future.

(Mr. Boyd, United Kingdom)

26. The Western industrialized and developing countries were the strongest trade partners each could find, and the régime of the European Economic Community offered significant preferences. Trade, aid and money were closely linked, and resumed growth in world trade would contribute enormously to the resolution of the current development and debt problems. Although commodity price levels were up, the threat of protectionism remained very real. Because the level of their earnings and the effect of price fluctuations were very important to the developing countries, his country had supported the Integrated Programme for Commodities and took part in almost all the international commodity agreements. It had ratified the Common Fund and hoped that others would do likewise. Those devices would of course mean little if a liberal world trading system could not be maintained. As the recovery proceeded, protectionism must be rolled back.

27. The problem of financing trade, investment and debt was a key one. More money was needed, but the Governments of the industrialized countries were not prepared to tax their own citizens beyond a certain point. It followed that, to promote the necessary financial flows, private means must be brought into play. However, it was difficult to attract funds for development projects in the developing world, and official development assistance therefore remained vital. The official development assistance (ODA) provided by his country was very substantial and was tilted very heavily in favour of the poorest countries. Moreover, almost all such aid was given on grant terms. His country's net development assistance for 1982 had been well over a billion pounds, and the official development assistance of the OECD countries had been growing in real terms, reaching \$US 27.9 billion in 1982. Disbursements by the Soviet Union had perhaps been a tenth of that amount and the aid disbursements of the member countries of the Council for Mutual Economic Assistance had been increasingly concentrated on a small group of close friends.

28. Some delegations had been critical about the role of the specialized agencies, and in particular of the International Monetary Fund (IMF). In the view of his delegation, IMF had done an outstanding job during an extremely difficult period and deserved renewed strong support from both lenders and borrowers, with new quotas being adopted quickly. The United Kingdom had ratified its share, and it hoped that the plan to supplement IMF funds by borrowing would be implemented quickly. Although the case for a special drawing rights issue was not proven, his delegation was glad that it remained on the table. It similarly applauded the strenuous efforts of the World Bank and supported the selective capital increase.

29. On the question of whether the international financial institutions were out of date, the United Kingdom had given its answer at Williamsburg, and work on that front was underway in the Commonwealth. It did not follow that because there were obvious problems in the world economy they were the fault of IMF, and his delegation looked askance in the Assembly at proposals which in effect distracted IMF from completion of its urgent tasks.

30. On the subject of disarmament and development, his country was firmly committed to efforts to negotiate balanced and verifiable reductions in forces in a manner which enhanced peace and security. Declaratory postures could be no substitute for the hard business of negotiating genuine measures of disarmament acceptable to all. When such disarmament measures were achieved, resources released could be devoted to other purposes according to national needs and

(Mr. Boyd, United Kingdom)

priorities, including a possible increase in development aid. Until disarmament measures had been implemented, however, it would be better not to link disarmament and development too closely, and lack of progress in disarmament should not be used as an excuse for lack of effort in development.

31. Mr. VALLENILLA (Venezuela) said that the global character of the world crisis showed the growing interdependence of countries and the various sectors of the world economy. What was needed was a consistent strategy of concerted action to restructure the international economic system, not short-term, isolated or sectoral measures. In that context, the results of the sixth session of UNCTAD had been very discouraging. The developed countries' attitude towards the South's proposals had been negative, and the resolutions adopted did not constitute an adequate recovery programme for development. His delegation felt that the General Assembly should nevertheless endorse those resolutions and initiate a process for their implementation in the United Nations system.

32. The review and appraisal of the implementation of the International Development Strategy (IDS) was of great importance because it was a point of departure for the review of the Strategy itself, whose goals and objectives were far from being fulfilled. IDS had been conceived as a fundamental tool for the establishment of a new international economic order, and its implementation should be reviewed as soon as possible in 1984.

33. Science and technology had an important role to play in all aspects of the social and economic development process. Venezuela therefore supported the agreements reached by the Intergovernmental Committee on Science and Technology for Development concerning the implementation of the Vienna Programme of Action and the continued implementation of General Assembly resolution 37/244 providing for the financial and institutional arrangements for the United Nations Financing System for Science and Technology for Development; that system would be effective only if the international community, on a strictly voluntary basis, committed itself to contributing the necessary resources. In that connection, a pledging conference should be convened in order to appraise the potential resources available.

34. Finally, with regard to ECDC, his country gave high priority to the question of UNCTAD support for the negotiation and implementation of the Global System of Trade Preferences, since such support would allow the Group of 77 to carry the negotiations forward.

35. Mr. ZAHID (Morocco) said that economic and technological co-operation among developing countries should be considered as one of the means of restructuring international economic relations. However, to attain the objectives of South-South co-operation, States must adjust their economic policies to reflect the directives and guidelines adopted by subregional, regional and international bodies. It was also important to have the moral and material support of the developed countries and international organizations. He reaffirmed his delegation's support for UNCTAD resolution 139 (VI), especially concerning the establishment of a Global System of Trade Preferences among developing countries, co-operation among State trading organizations and the promotion of multinational production and marketing enterprises, as well as the support and strengthening of subregional and regional co-operation.

(Mr. Zahid, Morocco)

36. His delegation welcomed the efforts undertaken in Africa towards the realization of individual and collective self-sufficiency and the establishment of an African common market. In order to attain the objectives of the International Development Strategy, the access of products from developing countries to markets in developed countries should be facilitated by preferential treatment and the abolition of protectionist measures. Unfortunately, the objectives of the International Development Strategy were far from being reached and were likely to be jeopardized if the obstacles to the development of the trade of developing countries were not eliminated by urgent and appropriate measures. Protectionist measures were to be condemned because they ran against the fundamental principles of international trade and caused great harm to the developing countries' economies. Their elimination would help overcome the effects of the current economic crisis, and in that connection, UNCTAD resolution 159 (VI) should be implemented rapidly and in its entirety. UNCTAD resolution 161 (VI) on the external debt of developing countries was also to be welcomed.

37. The international community must support the efforts of the developing countries aimed at promoting trade among themselves on the basis of various plans and programmes established for that purpose. The international community should also help the developing countries in their struggle to remove the obstacles impeding such trade. The development of financial co-operation among developing countries was another indispensable condition for developing South-South trade.

38. With regard to science and technology, his delegation welcomed the efforts made to implement the long-term financial and institutional arrangements for the United Nations Financing System for Science and Technology for Development. Morocco was also pleased at the adoption by the Intergovernmental Committee on Science and Technology for Development in its resolution 3 (V) of guidelines for the formulation of science and technology projects and programmes. Those guidelines should be updated and modified on the basis of information furnished by States. It was, however, regrettable that, at its special meeting, the Intergovernmental Committee had been unable to complete the work entrusted to it by the General Assembly in its resolution 37/244. He expressed the hope that the Intergovernmental Committee's decision 4 (V) would be implemented as soon as possible to allow for the early entry into force of long-term financial and institutional arrangements. Enormous efforts would be required for the attainment of the objectives of the International Development Strategy and the implementation of the Vienna Programme of Action.

39. The countries which were suffering the most from the world economic crisis were the developing countries in general and the least developed countries in particular; during the first half of the Third United Nations Development Decade, the per capita gross domestic product of the least developed countries had remained stagnant. Some advances had been made by those countries, as indicated in the Secretary-General's report (A/38/471), but many major obstacles remained, including insufficient domestic resources and the burden of external debt. To deal with the situation, the international community had made praiseworthy efforts through international institutions, but such aid was being reduced at the very time when it was most needed. He invited the international community to make additional efforts to support the activities the United Nations Development Programme and other agencies to help them assist the developing countries, particularly the least

(Mr. Zahid, Morocco)

developed countries. In that respect, he expressed the hope that the commitments undertaken under UNCTAD resolutions 142 (VI) and 164 (VI) would be honoured.

40. Mr. BAKALOV (Bulgaria) said that despite the deteriorating international political and economic situation, which damaged international trade and had extremely serious consequences for the developing countries, his country had made economic progress in the late 1970s and early 1980s, largely by broadening its international economic relations, especially with the member States of the Council for Mutual Economic Assistance. That progress, in turn, was the main factor stimulating the country's growing participation in the international division of labour, including East-West trade. His country's turnover with the developing countries continued to grow at a stable rate, primarily due to the country's general preferential duty system. At the same time, Bulgaria's trade with the Western countries was expected to increase by about 10 per cent by the end of 1985.

41. In the past few years, however, a number of Western countries, under the pressure of the United States, had stepped up protectionist measures and embargoed the export of high technology and equipment in their commercial relations with the socialist countries. Such policies were doomed to failure and were an impediment to the development of world trade as a whole.

42. The convening of the sixth session of UNCTAD had raised hopes, but the conclusions of the session were far from satisfactory. The positions taken by the Western countries, above all the United States, on a number of basic questions had prevented agreement. Despite the unsatisfactory results of the session, however, it had been reaffirmed that UNCTAD was the most universal trade and economic organization and that it had an even more vital role to play in the campaign against protectionism and discrimination and for the restoration of trust in world trade.

43. The lack of experience in science and technology in the developing countries hampered their general development and also largely prevented the effective utilization by those countries of their own natural resources. The implementation of the priority guidelines of the Vienna Programme of Action on Science and Technology for Development would therefore help in meeting developing countries' needs in that field. The Centre for Science and Technology for Development should focus its efforts on such important matters as determining the level of development of countries in science and technology, transferring technology and establishing an international system of information exchange in science and technology. The Centre also had an important role to play in supporting national and regional efforts to carry out the Vienna Programme of Action, in formulating recommendations to set up national planning organs for science and technology and in fundamental research and training of experts in science and technology.

44. The strengthening of peace and the cessation of the arms race were essential prerequisites for successful economic co-operation. Only in conditions of peace could the objectives of the Vienna Programme of Action be attained successfully.

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45. Mr. LEIFER (Austria) said that the sixth session of UNCTAD had been such an important international event that its proceedings and results deserved close scrutiny. While such an exercise was useful to the extent that it shed light on the future conduct of the North-South dialogue, its results were not commensurate with the gravity of the problems faced by many developing countries and the requirements of the world economy at large. However, the fact that a consensus had been reached on almost all the important agenda items should not be underestimated. The package of resolutions would have an impact on national decision-making and provide a valuable basis for further negotiations in the appropriate forums.

46. As pointed out by the Secretary-General of UNCTAD, the sixth session had brought about a clearer perception of the significant role of developing countries as partners in the world economy and of the interdependence of issues. However, it was important to consider why the determination of so many countries to take action had been so inadequately reflected in the results of the Conference. Given the general political and economic environment, the Conference had perhaps tried to deal with too many things at once. Moreover, the rigid adherence to a group system which ignored the diversity of economic interests and basic attitudes did not allow for priority areas to emerge or agreement to be reached in specific substantive areas. It might therefore be better to pursue a step-by-step approach, including the holding of single-issue conferences or at least high-level meetings focused on a few timely questions. "Mini-summits", such as those recently held on the initiative of the Prime Minister of India, could be useful in engendering a political commitment to a "new international consensus".

47. His Government had consistently advocated specific measures to enable all countries and groups of countries to participate in economic recovery. Despite clear evidence of renewed economic activity in a few industrialized States, growth there was still insufficient, and there was little likelihood of improving the serious situation in developing countries. It was clearly futile, under existing conditions, to expect national economic upswings to be transmitted internationally. It was essential to develop co-ordinated policies to reduce real interest rates, correct exchange-rate misalignments and roll back protectionist measures. The main burden for the implementation of such policies lay with the major industrialized nations but his country would not fail to shoulder its share of the responsibility.

48. With regard to the alarming indebtedness of so many developing countries, there was no indication that that situation would improve. The debtor countries would have to be given increased access to major markets if they were to be expected to service their debt properly and have the import capacity required for the growth of their economies. However, trade liberalization alone did not reactivate demand or solve the question of the competitiveness of exports. The most obvious source of short-term relief for the debt service burden would be a further reduction of interest rates and a drop in the value of the United States dollar abroad. It was in the interest of all countries for debtor countries to expand their productive base and increase export earnings rather than to cut down on imports and economic activity.

49. An adequate flow of financial resources to developing countries would therefore have to be maintained and multilateral financial institutions strengthened.

(Mr. Leifer, Austria)

It was urgent to restore the liquidity position of the International Monetary Fund by making the eighth quota increase and the expanded General Arrangements to Borrow operative. His country also advocated an early ninth quota review and a moderate new allocation of special drawing rights.

50. Since it was recognized that the least developed countries had been the hardest hit by the global recession, all donor countries should honour their commitments to the Substantial New Programme of Action. In that spirit, his Government was according the highest priority in its development aid programme to bilateral and multilateral projects of specific benefit to the least developed countries. The international community must, however, ensure that multilateral development institutions such as the International Development Association and the International Fund for Agricultural Development had a sound financial base, since they were best placed to assist the poorest countries.

51. His country had always supported economic and technical co-operation among developing countries (ECDC) as a means of strengthening those countries' capacities for self-sustained growth. Many ECDC efforts, in particular interregional projects, required support from international financial institutions and developed countries, and it was clearly in the interest of developing countries to keep ECDC within the United Nations system. The consensus resolution adopted at UNCTAD VI and the agreement reached in the Committee on Economic Co-operation among Developing Countries on the work programme of UNCTAD were steps in the right direction. However, the events at the twenty-seventh session of the Trade and Development Board had unfortunately threatened to undermine the established working procedures of UNCTAD. If the Global System of Trade Preferences was to be economically meaningful and the viability of UNCTAD maintained and strengthened, a spirit of co-operation would have to prevail.

52. His country followed with special interest the Southern African Development Co-ordination Conference. It also intended to increase its participation in projects related to food security and the rehabilitation and expansion of industrial capacity and infrastructure.

53. Although only modest progress had been achieved at the fifth session of the Conference on an International Code of Conduct on the Transfer of Technology, at least a confrontation had been avoided. Since the effectiveness of such a code of conduct would depend on its eventual general acceptance, there was no reasonable alternative to further negotiations in which the interests of the exporters of technology were considered.

54. His delegation attached great importance to stronger international co-operation in the field of science and technology for development. The agreement on the institutional elements of the United Nations Financing System for Science and Technology for Development constituted a major step towards the implementation of the Vienna Programme of Action. It was now essential to mobilize the necessary financial support for the Financing System through the efforts of both developed and developing countries. Additional efforts, including the support not only of Governments but also of the scientific community and the productive sector, would

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(Mr. Leifer, Austria)

also be required if the United Nations and in particular the Intergovernmental Committee were to be a dynamic factor in international co-operation.

55. The review and appraisal of the implementation of the International Development Strategy would be an important opportunity to promote an integrated and co-ordinated approach to science and technology as well as to all other areas covered by IDS. Because proper preparation was essential, his delegation attached great importance to the organizational session of the Committee on the Review and Appraisal of the Strategy.

56. Mr. A. SALLAM (Yemen) said that the sixth session of UNCTAD had been an appropriate forum for considering ways of overcoming the current world economic crisis. The developing countries were playing an increasingly important role and must be recognized as the industrialized countries' economic partners. Unfortunately, the outcome of the sixth session had been disappointing for the developing countries. The lack of political will on the part of the developed countries had led to world-wide economic stagnation, and the very economic and social structure of the least developed countries was jeopardized. It was absolutely essential to accelerate the rate of development of the developing countries, and the decisions adopted at the sixth session must lead to immediate measures within the framework of a new programme of action to promote international economic co-operation.

57. His country attached great importance to the question of science and technology for development and believed that it was essential for the developing countries to expand their scientific and technological capacity. A consensus on methods of financing must be achieved in order to permit implementation of the Vienna Programme of Action. It was to be hoped that the Centre for Science and Technology for Development would give top priority to assisting the least developed countries.

58. Since technical and economic co-operation among the developing countries was a prerequisite for the restructuring of international economic relations, the international community must give priority to supporting the developing countries in their efforts to implement their economic and technical co-operation programmes. The developing countries had taken a whole series of steps to consolidate co-operation among themselves in all fields, and such co-operation was a key factor in international economic development as a whole. UNDP had been playing a particularly important role in that connection, and it was to be hoped that the Programme would be able to rely on a steady flow of resources.

59. The United Nations Conference on the Least Developed Countries had been an important step forward in promoting the economic development of the countries in question and helping to improve their standards of living. However, even although the international community had recognized the least developed countries' special needs, it was estimated that in 1985 official development assistance for those countries would amount to somewhat above \$9 billion only. That sum fell far short of the requirements of the least developed countries, particularly in view of their debt-servicing difficulties and the natural disasters which were compounding their economic and social difficulties. It was therefore more urgent than ever that the

(Mr. A. Sallam, Yemen)

international community should respond readily to the least developed countries' needs with a view to enabling them to play a more effective role on international markets.

60. Mr. GALKA (Byelorussian Soviet Socialist Republic), referring to the review and appraisal of the International Development Strategy and problems of trade and development, said that his delegation supported the progressive provisions of the Strategy, in particular those aimed at constantly increasing the well-being of all, establishing a close relationship between disarmament and development and underlining the need to overcome the basic obstacles to the economic development of developing countries. The propositions on the need to combat the negative consequences of the activities of transnational corporations and to control those activities were also of fundamental significance.

61. However, the events of the past three years gave no grounds for optimism, and the majority agreed that prospects for implementing the Strategy had deteriorated. That deterioration was rightly linked with the increase in international tension caused by the policy of the imperialist States, primarily the United States of America. Imperialist circles were trying to suppress the struggle for national and economic liberation, and their primary targets were those developing countries struggling for genuine political and economic independence, as the recent aggression against Grenada showed.

62. His delegation wished to emphasize once again that implementation of the International Development Strategy was inseparably linked with strengthening peace and security, limiting the arms race and initiating genuine disarmament. That seemed obvious, but doubt had been cast on it by the representative of the United Kingdom, whose Government had the doubtful honour of making the first contribution to a new spiral in the arms race in Europe by beginning the deployment of new types of United States nuclear weapons on British territory.

63. The Committee on the Review and Appraisal of the International Development Strategy had to undertake a serious analysis of the factors preventing implementation of the Strategy and sort out the basic obstacles to the restructuring of international economic relations. An analysis of the results of the sixth session of UNCTAD would greatly help in that respect. The debate in the Second Committee reflected the dissatisfaction of the developing countries with the results of the sixth session of UNCTAD, whose proceedings had shown that its inability to achieve better results was a result of the negative attitude of developed Western countries. The socialist States had supported the Group of 77 proposals and they had also published official data on the extent of their assistance to developing countries.

64. Some representatives of Western countries, as was shown by the statement by the representative of the United Kingdom, were still trying to discredit the aid given by socialist States to developing countries, rejecting official government statistics and using fabricated material from their own sources. They would do better to disclose the figures for capital flows from developing countries into the coffers of, for example, the British monopolies. But they had constantly refused to disclose the relevant figures because they would reveal the true role played by those monopolies in the economic life of developing countries.

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(Mr. Galka, Byelorussian SSR)

65. The sixth session of UNCTAD had shown who genuinely supported a just solution to trade and development problems and who wished to prevent such a solution. The Conference had convincingly shown that the reasons underlying the sharp deterioration in the economic situation of the developing countries were the crisis in the developed capitalist countries, the consequent reduction in world trade, the protectionist policy pursued by powerful Western countries and the increasing use of discriminatory measures for political reasons. Moreover, the efforts of the leading capitalist countries to solve their problems at the expense of their weaker trading partners only made the difficulties worse. There was therefore an urgent need for fundamental changes in the existing system of international economic relations. It was deeply symptomatic that some leading Western countries had declared their disagreement with that view and the United States had demonstratively dissociated itself from it.

66. The growing realization of the close relationship between peace and development meant that consideration must be given to the question of UNCTAD's future work on the economic and trade aspects of disarmament. UNCTAD should determine its contribution to the implementation of General Assembly resolutions directing international organizations to expand their efforts in that field.

67. The positive results of consideration of questions of trade policy at its sixth session of UNCTAD should be noted. Those results were incorporated in UNCTAD resolutions 159 (VI) and 152 (VI). The resolutions on aid for the Palestinian people and for the peoples of Namibia and South Africa were also important. However, UNCTAD decisions on a number of questions were not far-reaching enough, in particular in the fields of currency, finance and raw materials. The destructive attitude of a group of Western countries had also blocked the adoption of a comprehensive resolution on trade relations between countries with different socio-economic systems. His delegation wished to point out once again the illegitimacy of Western efforts to prevent UNCTAD considering questions of East-West trade, since such efforts amounted to an obvious revision of the Conference's mandate. Like the other socialist countries, his country would endeavour to make a constructive contribution to the work of UNCTAD.

68. Mr. SAVIR (Israel) said that over the past two decades some developing countries had succeeded in moving from dependence upon the export of a limited number of basic commodities to a level of diversification and industrialization which placed them in competition with developed market countries. However, the socio-economic development of other developing countries had been halted by the sudden increase in the cost of energy, with its aftermath of world inflation followed by economic recession. Unless the problems considered at the sixth session of UNCTAD were dealt with swiftly, the future of developing countries seemed bleak.

69. Balance-of-payments problems for oil-importing developing countries had become much more acute over the past four years, mainly due to factors beyond their control. To cope with those balance-of-payments problems, at the end of the 1970s many of the least developed countries had contracted short-term loans, which they were now hard pressed to repay, and they were seeking aid from the International Monetary Fund and the rescheduling of their debts. IMF resources should therefore

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(Mr. Savir, Israel)

be increased and conditionality eased. Commercial banks should avoid excessively high interest rates for rescheduling, and the flow of resources to developing countries should be expanded.

70. In the past, Israel had proposed that capital flows to the developing world might be increased through massive interest subsidies, export credit guarantee facilities and expanded co-financing. Those proposals had in fact been partly implemented by the World Bank and the Inter-American Development Bank. The introduction of export credit guarantee facilities should be made on a limited scale, and then gradually expanded. Private capital flows should be expanded to include the financing of development projects prepared and supervised by the World Bank and regional development banks.

71. Economic co-operation among developing countries was to be encouraged, since it promoted partnership in the developing world and strengthened the bargaining power of the least developed countries *vis-à-vis* the industrialized world. Such factors were of particular importance given that the North-South dialogue and the global negotiations had stalled. All developing countries should be entitled to participate in and benefit from such economic co-operation.

72. The International Trade Centre UNCTAD/GATT and UNCTAD's secretariat could provide technical assistance for the establishment of national trade forums and promote contacts between such forums in third world countries. Israel had recently placed expertise in the field of rural development and agro-industries at the disposal of the International Trade Centre. The Centre's role in the field of commodities should be strengthened.

73. Israel was a developing country which had industrialized rapidly and had played an active role in science and technology. A dominant issue of concern to all countries was how to assist developing countries in obtaining technology on the best terms. The existing relationship between suppliers and recipients of technology should be restructured. Developing countries should be granted access to technology on conditions which did not place the supplier in a predominant position and which did not relegate the recipient to technical dependence. Israel was pleased to note recent progress towards a code of conduct on the transfer of technology, as well as in the negotiations on financing the Vienna Programme of Action on Science and Technology for Development. The development of new and renewable sources of energy held the promise of unlimited opportunities for economic and technical co-operation among developing countries, and his Government was ready to share its experience in that field.

74. Israel recognized the significant role of international trade in development and favoured increased efforts to curb protectionism in accordance with decisions taken at GATT and UNCTAD. A start should be made to rolling back trade barriers within the framework of GATT. Israel also supported the Substantial New Programme of Action for the 1980s for the Least Developed Countries. His Government made every effort to assist such countries through bilateral technical assistance programmes. Finally, Israel strongly opposed the establishment of a special economic unit in the secretariat of UNCTAD to provide assistance to Palestinians.

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75. Mr. PAPADATOS (Greece), speaking on behalf of the European Economic Community, said that the Community welcomed the adoption of the International Development Strategy for the Third United Nations Development Decade, since it constituted an excellent framework for international development co-operation. The Community was prepared to join in efforts to implement the Strategy and to review results attained at the sectoral, regional and national levels over its first three years. It attached great importance to preparations for the review and appraisal exercise, and appropriate consultations should be undertaken in that connection. The exercise would provide a major opportunity to assess the economic and social situation of developing countries and to discuss improvements.

76. Effective action by the world community was needed to support the collective efforts of the developing countries to realize their development objectives. The Community trusted that the attainment of the central objective of the Strategy, namely the accelerated development of developing countries, would be facilitated.

77. Consensus had been reached at the sixth session of UNCTAD on a number of resolutions relating to commodities, trade and money and finance. The importance of the sixth session lay in its potential contribution to the resumption of development and of steady, non-inflationary growth in the world economy as a whole. The Community wholeheartedly believed in the maintenance of an open, multilateral trading system. That system had withstood the recession well, particularly the tendency towards protectionism, and it was in the interests of all for it to be maintained and to function satisfactorily. Protectionism had to be combated.

78. Recession and protectionism were interlinked, but the decline in the volume of trade in 1982 had also been caused by high interest rates and exchange-rate problems. The Community believed that trade should be opened up still further to promote economic recovery, from which all countries would benefit. It should be noted that EEC was already the major market for developing countries. Its overall tariffs for developing countries' exports were only 1 per cent, while most agricultural and industrial products were tariff-free. The Community welcomed the consensus resolution adopted on trade at the sixth session of UNCTAD, and was now considering measures to be taken to maintain the impetus.

79. Economic co-operation among developing countries in the 1970s had resulted in increased trade and financial flows, the establishment of infrastructure and the exchange of information on commercial services. In the past three years, however, the world economic recession had had an adverse effect on intra-group trade. There was need for a sustained recovery in the developed countries, in conjunction with stimulation of development in developing countries. Interdependence was the key principle underlying successful growth and the expansion of the world economy. World output would undoubtedly benefit from greater economic and technical co-operation among developing countries, increased productivity and expanding markets.

80. The international community attached great importance to supporting the developing countries' programmes of mutual economic and technical co-operation, with the emphasis on collective self-reliance as a means of accelerating development. However, it should be stressed that the work of UNCTAD in respect of

(Mr. Papadatos, Greece)

ECDC should fully respect the principles and procedures of the United Nations system.

81. The development prospects of the least developed countries remained bleak. Although assistance had increased marginally, over recent years, it was still seriously short of requirements, and the economic and social situation of the least developed countries had continued to deteriorate against the background of the international recession. The European Community would continue its efforts to reverse that trend. A number of the least developed countries were signatories to the second Lomé Convention, while Community aid to other least developed countries had increased by 50 per cent between 1981 and 1982. The European Economic Community was the most important trading partner of the least developed countries and their largest aid donor.

82. The willingness expressed by States at the sixth session of UNCTAD to implement the Substantial New Programme of Action for the 1980s for the Least Developed Countries was gratifying. Some members of EEC had already surpassed the target of 0.15 per cent adopted at the sixth session of UNCTAD, while others were very close to doing so.

83. Mr. NGAOSIVATHN (Lao People's Democratic Republic) welcomed the efforts of the United Nations system, in particular UNDP and UNCTAD, to remove the major handicaps affecting the least developed countries. The report of the Secretary-General on the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries (A/38/471) stated that a number of those countries, including the Lao People's Democratic Republic, had surpassed the goals relating to overall growth, agriculture and manufactures established in the Programme. Nevertheless, the situation of the least developed countries was extremely critical, reflecting their impoverishment resulting from current international economic imbalances. Market forces were, in practice, little better than the law of the jungle.

84. To remedy that situation, emphasis had so far been placed on the problem of external capital flows, particularly development aid. Access by the least developed countries to capital markets was extremely difficult, since investment tended to be made in certain developing countries with economic and social infrastructures which allowed transnational corporations to perpetrate their predatory exploitation and make huge profits.

85. In such circumstances it was essential for developing countries to seek support from those States which genuinely wished to help them to construct an independent economy and for them to make radical social and economic reforms to fully utilize the wealth of their people. Without such reforms, any policy leading to the transfer of capital and technological innovations to certain countries merely enriched the traditional élite and foreign companies. Such had been the case with the "green revolution" which had scarcely benefited the masses. Human degradation was not inevitable - it was the result of a retrograde social structure.

86. The solution to those problems lay in the political willingness of underdeveloped countries to help themselves. However, radical domestic reform,

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

although providing the only solution, was fraught with peril. All those who were linked to the old order would do their utmost to maintain the status quo. One of the manoeuvres used to destabilize progressive régimes was to induce exoduses of refugees to bleed a country of its people. The countries of Indochina had been faced with that problem following their liberation. Those responsible were, moreover, busily exploiting the masses of refugees. The Lao People's Democratic Republic would continue to assist those refugees who had returned home.

87. Economic and technical co-operation among developing countries could add to the impetus given by internal reform. His Government was co-operating with Viet Nam and the People's Republic of Kampuchea to foment such co-operation among developing countries. His Government welcomed the pledges of co-operation which it had received from Algeria, Sri Lanka, India and Viet Nam.

88. Friendly relations and co-operation between the countries of Indochina and the members of ASEAN were an important element guaranteeing peace and stability in South-East Asia. All disputes should be settled by negotiation, and States should stand together against any external interference. Co-operation had so far been centred on exploitation of the lower Mekong River basin. Such co-operation had to overcome the distrust fomented by neo-colonialist circles and aggravated by international reactionaries in collusion with imperialists, failing which regional co-operation in South-East Asia would remain a pious hope.

89. Mr. SEKULIC (Yugoslavia) said that the sixth session of UNCTAD had been held under dramatic circumstances necessitating urgent action to arrest and reverse negative developments in the world economy and in the economies of developing countries in particular. There had been an expectation that the session would lead to the adoption of a meaningful programme of concerted measures to stimulate the world economy and accelerate growth in the developing countries, but no real progress had been made.

90. On the other hand most of the resolutions had been adopted by consensus. Some of those resolutions contained commitments which, if acted upon, would be a step in the right direction. There were those who maintained that the sixth session represented the beginning of a new process giving impetus to the dialogue on the issues facing the world economy. It seemed, however, that there was a tendency to assess important international gatherings not in terms of their substantive achievements but rather in terms of their sometimes uncertain promises for the future.

91. The North-South dialogue had reached an impasse, with little evidence of movement on any issue. What was needed was a decisive initiative on the critical problems discussed at the sixth session, problems which would only be aggravated by the adverse economic environment.

92. UNCTAD should strive to implement the decisions adopted at its sixth session, and it should also take those initiatives which were essential under present conditions. The same was true of other forums in the United Nations system. The General Assembly should view the recent failure of the Trade and Development Board

(Mr. Sekulic, Yugoslavia)

to reach agreement extremely seriously. Only the General Assembly could muster the political will without which all negotiations were bound to fail.

93. Despite the fact that the international community attached great importance to the review and appraisal of the International Development Strategy for the Third United Nations Development Decade and that the General Assembly had, in resolution 37/203, expressed deep concern at the grave international economic situation that situation had continued to deteriorate. The review and appraisal exercise would fulfil its role only if it brought about a change in the developed countries' attitudes towards their commitments. Attention must be focused both on the real reasons for non-implementation of the policy measures laid down in the International Development Strategy and on the adjustment or reformulation of those measures in order to achieve the Strategy's goals and objectives. The review and appraisal process should be used in order to revive United Nations development activities in general and to strengthen the role of the United Nations in international co-operation for development. A more comprehensive approach must be taken towards the exercise, in view of the continuing deterioration in the developing countries' economic situation, the general erosion of multilateral economic co-operation and the prolonged failure to take action to solve the problems in question.

94. With regard to science and technology for development, his delegation supported the view that the Vienna Programme of Action represented no more than an initial step towards achieving the international community's goals in that area. Lack of adequate financial resources was seriously impeding implementation of programmes and projects, and that major constraint must be overcome. His delegation noted with satisfaction that agreement had been reached on the establishment of the long-term financial and institutional arrangements for the United Nations Financing System for Science and Technology for Development. It was to be hoped that the consultations undertaken in that regard would lead to the launching of an appropriate financing system. His Government had supported the existing interim machinery, because implementation of the Vienna Programme of Action was one of the most important United Nations activities. The Centre for Science and Technology for Development was to be commended for the work it was performing, and his delegation hoped that the Centre would continue to play an important role. His Government also endorsed the resolutions and decisions adopted by the Intergovernmental Committee on Science and Technology for Development at its fifth session, particularly the initiative aimed at strengthening that Committee's role and effectiveness.

95. His Government attached great importance to full and rapid implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. The international community must respond to the needs of those countries and greatly expand its support measures, particularly those aimed at bringing about a major increase in the transfer of additional financial resources.

96. Mr. HAMMAMI (Tunisia) said that the sixth session of UNCTAD had represented a setback in relation to the high hopes which it had aroused in the developing countries. It had provided an opportunity for the elaboration of an agreed programme of action for the purpose of stimulating economic recovery and promoting

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(Mr. Hammami, Tunisia)

development, but there had been no more than a timid response from the developed countries.

97. The Group of 77 had gone to Belgrade prepared for dialogue and concertation consistent with the spirit of the Buenos Aires Platform. There had, however, been an absence of will to co-operate on the part of the other groups. No really tangible results had been achieved, notwithstanding the adoption of many decisions by consensus. The results represented a threat to the spirit of multilateral co-operation in the future.

98. The much vaunted interdependence of countries and economies might have made it possible to believe that the economic recovery, however timid, would have some positive impact on the economies of the developing countries. However, nothing had happened to confirm that theory, which had been propounded by many developed countries. The inadequacy and inequity of the rules and principles governing the system of international trade clearly justified the appeal of the Ministers of the Group of 77 for preferential treatment for developing countries.

99. Trade expansion was being hindered by protectionist and other tariff and non-tariff barriers. Such practices, far from diminishing, continued to be major obstacles to the development of the developing countries and were certainly harmful to the establishment of more just and equitable international economic relations. In that connection, his delegation re-emphasized the importance of UNCTAD resolution 159 (VI) in which the developed countries had committed themselves to halt protectionism and to work systematically towards reducing and eliminating quantitative restrictions and measures having similar effect.

100. A number of developing countries had seen their foreign earnings dwindle because of unstable commodity prices. Arrangements which would compensate for such export deficits were accordingly more necessary than ever. In that connection, his delegation joined others which had appealed to those countries which had not yet ratified the Agreement Establishing the Common Fund for Commodities to do so.

101. Economic co-operation among developing countries had become a reality, and while it was not an alternative to co-operation with the developed countries, it nevertheless was vital for the developing countries. His delegation joined those delegations which had appealed for a strengthening of ECDC and TCDC activities and invited the United Nations system to give its full support to such activities.

102. The developing countries, far from adhering to wait and see policies, remained concerned by the international economic situation and were working for appropriate solutions. In that connection, his delegation reiterated its urgent appeal to the developed countries to demonstrate the necessary political will and join a constructive dialogue with a view to establishing a new international economic order. Only a global dialogue on the main components of the world economy, including raw materials, international trade and monetary and financial problems, was capable of producing conditions ensuring a durable and general recovery.

103. The agreement reached during the fifth session of the Intergovernmental Committee on Science and Technology for Development on the establishment of the

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(Mr. Hammami, Tunisia)

United Nations Financing System for Science and Technology for Development was an important step forward. His delegation considered that the international community should do everything possible to facilitate the entry into force of the financing system as soon as possible. He appealed to all countries and in particular the developed countries to contribute generously to the financing system so that it could become operational as soon as possible.

104. Mr. OMARDIN (Malaysia) said that the current recession had been one of the most serious since the great depression of the 1930s. The volume of global trade had slackened sharply, while protectionist pressures had increased, aimed chiefly at the more competitive semi-finished manufactured goods from the developing countries. Protectionist measures in various forms had intensified in the early 1980s and were further distorting the efficient use of resources on a global basis, as well as contributing to inflation through higher domestic prices for products that could be obtained much more cheaply through imports. To the extent that adequate adjustments were not being made to take into account the growing comparative advantage of the developing countries in many traditional manufacturing activities, production in the industrial world would continue to be inefficient, producing higher inflation and government subsidies for ailing industries. Eventually, the slower export growth in the developing countries caused by protectionism would feed back in the form of reduced demand for the exports of the industrial economies, generating more slack in output. Where structural rigidities constituted the main reason for declines in employment opportunities, as was frequently the case in the industrial countries, restrictions could not provide the necessary cure. They only perpetuated the problem by sheltering certain domestic sectors from healthy competition, thus delaying needed shifts of resources, raising costs unnecessarily and making the ultimate adaptation more painful than it needed to be.

105. What the world required was broad and fundamental adjustment directed towards the control of inflation and the improvement of productive efficiency. Progress had been made in the fight against inflation, but only at the cost of a sharp decline in economic growth and a significant increase in unemployment. It had become clear that monetary policy alone could not do the job. The effectiveness of the strategy of monetary restraint had been hindered by the general lack of support from fiscal policy, and particularly, by the persistence of large budget deficits.

106. The magnitude of any sustained recovery would depend on the success of the major industrial countries in making structural adjustments designed to increase slow growth, reduce high unemployment, raise productivity, conserve energy, stimulate output while restraining inflation and reduce budgetary deficits without resorting to greater protectionism.

107. There was widespread recognition of the international debt problem, as reflected in the increased incidence of external payments arrears and resort to debt rescheduling. Current difficulties stemmed mainly from the global recession, the stagnation of world trade and high real interest rates. The second round of oil price increases in 1979-1980 had aggravated the external payments imbalances of the oil-importing countries, both developing and industrial, and some countries had not adjusted quickly enough or in the appropriate fashion.

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(Mr. Omardin, Malaysia)

108. The world banking system had been subjected to increasing strains, some of which were the direct result of its international lending while others were endogenous to the system. There was a clear danger that a major default in one or a group of the major international banks could develop into a crisis that could affect the liquidity and solvency of several leading banks. Such a development would not only affect depositor confidence but also induce a major transfer of assets between banks as well as between countries. Such a weakening of confidence could generate an international scramble for liquidity, with damaging consequences for the international financial system as a whole and for vulnerable individual countries in particular.

109. There was a clear need for an arrangement to provide large-scale liquidity immediately while confidence was being restored. There was at present no international institution which was comparable to a domestic central bank and which could act as a lender of last resort to the international financial system. There were international institutional arrangements that possessed some features of a global last-resort lender, but the linkage between them was often loose and the system as a whole might not be able to cope with a major disturbance. The International Monetary Fund was the institution closest to being a lender of last resort to the international monetary system. Its resources and role were however limited in relation to the potential demands.

110. A number of countries were experiencing marked difficulties in financing their balance-of-payments deficits and were under great pressure to make rapid adjustments. There was therefore an urgent need to ensure that adequate financing was provided to those countries, since without such financing the pace of forced adjustment would be untenable. Providing or promoting such financing was a prime responsibility of IMF.

111. Malaysia was dismayed at the slow progress being made by the Common Fund for Commodities and appealed to those countries which had not yet ratified the related Agreement to do so. Economic and technical co-operation among developing countries was an important aspect of Malaysia's foreign policy, but developing countries must acquire strength from tangible co-operation rather than resort to co-operation or rhetoric alone. Only then would they be taken seriously.

112. Mr. CHAN (Singapore) said that the report of UNCTAD on the current economic situation indicated that the outlook was uncertain and that prospects for the developing countries were grim. That assessment had been based on three considerations, namely that high United States interest rates had forced up interest rates in other developed countries, commercial bank lending to finance the debts of developing countries had slowed down, with a deflationary effect on the world economy as a whole, and the strength of the United States dollar had caused imported inflation in other developed and developing countries alike. Moreover, commodity prices were still depressed and expansion in world trade continued to be doubtful.

113. Since June 1983, the growth in the United States economy had been better than expected, while modest growth prospects had been indicated for Western Europe, Japan and the ASEAN countries. Pessimists nevertheless considered that new

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problems in the United States economy would begin to arise, if not by the middle of 1984, then certainly by 1985. The Government's need for funds to finance the budget deficit was expected to compete with the private sector's demands for the financing of capital expenditure, thus driving up interest rates. It was very likely, therefore, that higher interest rates would choke off the current economic expansion. Nor were solutions yet in sight for endemic problems relating to protectionism, food security, stable commodity markets, energy development, science and technology and development assistance. The protectionist mood was likely to persist because of domestic political pressures, in the developed countries, where uncompetitive production continued to be protected from the realities of world prices. That was a matter of great concern for developing countries, particularly as elections in the developed countries grew nearer.

114. One promising development in international economic co-operation was that the Common Fund for Commodities was fast approaching fruition. The Fund would represent an important contribution to the international community's search for rationality and co-operation in economic relations, as it benefited both the producer and the consumer. Singapore would ratify the Agreement.

115. The recovery in the developed countries could, at best, only be transmitted to the developing countries slowly and imperfectly. As a small country, Singapore laid great stress on human resource development, not only to build a strong infrastructure of technical and professional personnel but also to improve management capability and build a sound public administration. Such measures were essential if the developing world was to avoid being condemned to second-class citizenship in an economic divide that might be even harder to bridge than the current one.

116. Over the past ten years, the main feature in relations between the North and South had been their increasing acrimony. The developing countries had felt rightly that the developed countries had a more moral responsibility in a partnership for development. It seemed, however, that the developed countries, market-economy and centrally-planned alike, were too concerned with economic relations among themselves to lay stress on North-South problems.

117. Profound changes were taking place in the structures of the economies of the developed countries. New production processes were fast making the cheap labour available in the developing countries less relevant in investment considerations. Investments by developed countries were increasingly being made in other developed countries, not in order to take advantage of lower unit costs in production but in order to guarantee a share in one another's markets.

118. However, the interdependence of North and South was clearly demonstrated by trade figures, and developed countries might do well to think of developing countries as potential markets for the consumption of goods. The core of the problem was, however, the way in which the developing world must prepare the ground to take advantage of pending changes.

119. The issues in the North-South debate had often been defined in terms of the past, of the outcome of colonialism and its exploitation that had trapped

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(Mr. Chan, Singapore)

developing countries in poverty. However, the future was also a trap because, if the second industrial revolution ran its course in the North before the South had even gone through the first revolution, then the gap in technology would surely trap the developing countries in poverty as much as colonial exploitation ever had. In such a scenario, the brain drain would add to the devastating effect on the economies of the developing world.

120. Nevertheless, solutions were within the power of individual Governments, provided certain conditions prevailed. First, in the post-colonial era, the energy and idealism released in the people was substantial but it had to be harnessed towards development goals. Second, a cohesive leadership of talented and dedicated people was required over a sustained period, since difficult decisions had to be made and the leadership must be able to carry the people with it at all times. Third, the choice of development models had to be carefully selected. Fourth, an economic strategy must be adopted on the basis of a realistic assessment of the skill levels of both workers and management; grandiose schemes promising great leaps to wealth were to be avoided. Fifth, there must be continued investment in human beings through education in order to provide a sound public administrative structure.

121. Just as important as careful domestic policies was the need for funding in order to build up infrastructures. History had recorded two massive transfers of funds: before the First World War, large amounts of money had moved from the old centres of Europe to America, Australia and Russia, while after the Second World War, the capital flows had been reversed in the form of the Marshall Aid Plan. The question which now arose was whether history would record a third transfer of funds, this time to the developing world.

122. Mr. MALIK (India) said that international economic co-operation for development had been conceived as an integral component of the International Development Strategy for the Third United Nations Development Decade. However, on the eve of the first review of the International Development Strategy, there was no indication that progress had been made towards its targets. Negative trends in the world economy had not only persisted, they had sharpened considerably. Although the economic crisis had affected all countries, the brunt was being borne by the developing countries. The developed countries had experienced some increase in economic discomfort, but it was insignificant compared to the concrete misery suffered in the developing countries as a result of the adverse economic environment.

123. The agenda item on international economic co-operation for development was considered year after year in the General Assembly. Lip service was paid to the principles of a just and equitable international economic order, but actions completely disregarded it. Every report and analysis on the prevailing economic chaos emphasized the disarray of the global financial system, and even the limited regulatory role of institutions like IMF had been undercut by the policies of some developed countries. The global money market was dominated by massive and sudden capital movements which led to exchange-rate volatility and record-high interest rates. The central banks of the developed countries had been involved in those capital movements as part of what could only be termed international speculation.

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(Mr. Malik, India)

The situation bore a striking resemblance to the chaotic days preceding the crash of 1929 and the very stability of the global economic system seemed to be at stake.

124. In spite of the International Development Strategy, leading economic indicators demonstrated that inequities and imbalances in the international economic order had widened and deepened. Because of the strains imposed by adverse external developments on the spending power of the developing countries, they had nothing left for domestic investment or for future growth. The situation was critical and called for an urgent response from the international community.

125. There had, however, been some concrete achievements in the last few years. His delegation maintained its faith in the United Nations system, which had reached an agreement, with the co-operation of developed countries, on the establishment of long-term arrangements for the Financing System for Science and Technology for Development. He appealed to all countries to maintain that momentum. The Financing System had already sponsored worthwhile projects in many developing countries and should remain operational on a long-term basis.

126. His delegation welcomed volume II of the report of the Trade and Development Board, which focused on ECDC, and the emphasis placed on the potential role of the Global System of Trade Preferences in stimulating trade among developing countries. It also welcomed the attention being paid by UNCTAD to the strengthening of the technological capacity of the developing countries in the development of their energy resources. The International Development Strategy contained an important section on energy and pointed out the importance of the development of the energy resources of the developing countries. Although each nation had its own priorities in its energy programmes, it was gratifying that the international community had endorsed a serious approach to the subject.

127. His delegation noted with regret that the adoption of the international code of conduct on the transfer of technology had been postponed. Both that question and the problem of the reverse transfer of technology needed to be examined.

128. With regard to economic and technical co-operation for development, he noted that the High-level Committee on the Review of Technical Co-operation among Developing Countries had attempted to streamline TCDC activities to avoid duplication in sectoral coverage. While he welcomed the efforts being made to focus on TCDC issues in the United Nations, he noted that the system's potential for supporting TCDC activities was far greater than what it had accomplished so far. His country had been active in economic and technical co-operation with developing countries; it had set aside \$5.8 million for TCDC activities through March 1985 and had more than 20 agreements on science and technology co-operation with developing countries. It also welcomed technical co-operation from other developing countries in many areas.

129. Much remained to be done in the sectors under discussion, and progress was very slow. He appealed to the international community to take the necessary steps to halt the arms race in order to ensure both the economic and military security of the world.

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AGENDA ITEM 80: TRAINING AND RESEARCH (continued) (A/C.2/38/L.47-L.49)

- (a) UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (continued)
- (b) UNITED NATIONS UNIVERSITY: REPORT OF THE COUNCIL OF THE UNITED NATIONS UNIVERSITY (continued)
- (c) UNIFIED APPROACH TO DEVELOPMENT ANALYSIS AND PLANNING: REPORT OF THE SECRETARY-GENERAL (continued)

Draft resolution A/C.2/38/L.47

130. Mr. FAREED (Pakistan), introducing the draft resolution on behalf of its sponsors, which now included Egypt and Zambia, said that the text was based on the information provided in the report of the Executive Director of the United Nations Institute for Training and Research (UNITAR) (A/38/14) and the report of the Secretary-General on UNITAR (A/38/220). The key elements of the draft resolution were set forth in paragraphs 6 and 7, and it was to be hoped that the members of the Committee would feel able to adopt the text by consensus.

Draft resolution A/C.2/38/L.48

131. Miss COURSON (France), introducing the draft resolution on behalf of its sponsors, said that the operative part of the text was about the United Nations University's activities and financial requirements. Since the draft resolution was similar to General Assembly resolution 37/143, which had been adopted by consensus, she hoped that the Committee would also be able to adopt the text before it at the current session by consensus.

Draft resolution A/C.2/38/L.49

132. Mr. KORDS (German Democratic Republic), introducing draft resolution A/C.2/38/L.49, said that a unified approach to economic and social development and the adoption of measures to ensure the interrelationship between the two on a national and an international scale had been under consideration for many years. That interrelationship was a basic factor, regardless of differences in the social and economic structure of States, since the achievement of economic development targets meant an improvement in the social conditions of the people concerned. His delegation had therefore been interested in the subject of a unified approach from the beginning.

133. Every resolution adopted by the Economic and Social Council and by the General Assembly on a unified approach to development analysis and planning had been approved by consensus, which showed that all were agreed on the principal aim. The fact that it had not been possible to have a comprehensive report from the Secretary-General was unsatisfactory. The General Assembly should at least have received additional information on the 14 reports submitted by Governments. The draft resolution urged States to submit reports on their experience in that field and requested the Secretary-General to prepare a report on the basis of those submissions and of the experience gathered by United Nations bodies. The review and appraisal of the implementation of the International Development Strategy for

(Mr. Kords, German Democratic Republic)

the third United Nations Development Decade would provide a good opportunity to link national experience with experience gathered in international co-operation. A report prepared on that basis could contribute effectively to future reviews and appraisals of the Strategy. His delegation was ready to consider any proposals aimed at further improvements in the field in question.

AGENDA ITEM 81: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)
(A/C.2/38/L.39, L.40, L.50-L.60 and L.64-L.66)

(b) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE (continued)

Draft resolutions A/C.2/38/L.40 and L.65

134. Mr. ELHASSAN (Sudan), introducing draft resolution A/C.2/38/L.40 on assistance to Yemen on behalf of its sponsors, said that much time and considerable resources would be required to repair the devastation caused by the earthquake which had struck the country in December 1982. A joint mission had visited the country in January-February 1983 and had estimated reconstruction costs at over \$600 million, a burden which Yemen as one of the least developed countries could not bear without aid from the international community and from the United Nations in particular. He trusted that the Committee would adopt the draft resolution by consensus and that the international community would continue its assistance for Yemen's efforts to repair the damage caused by the earthquake. In the text of the draft resolution in languages other than Arabic, the date in the second preambular paragraph should be changed to 13 December 1982.

135. With regard to draft resolution A/C.2/38/L.65, on assistance for the reconstruction and development of Lebanon, he said that the report of the Secretary-General (A/38/217 and Add.1) and the statement made by the United Nations Co-ordinator of Assistance for the Reconstruction and Development of Lebanon on 10 November 1983 had underlined the need for assistance by the international community and by United Nations organizations to continue. The draft resolution therefore aimed to intensify the efforts being made to help meet the needs of Lebanon. He trusted that the Committee would adopt the resolution by consensus.

Draft resolutions A/C.2/38/L.39, L.50, L.52-L.60, L.64 and L.66

136. Mr. SALLU (Sierra Leone), speaking as Chairman of the African Group for November and introducing draft resolutions A/C.2/38/L.39, L.50, L.52-L.60, L.64 and L.66 on behalf on their sponsors, said that the draft texts followed previous models and should be considered together with the reports of the Secretary-General on economic assistance to the countries concerned. The fact that so many resolutions were submitted on behalf of African countries was a reflection of the times. Despite the aid already given, there was a continuing need for the international community to assist the efforts of those countries, since they still had much ground to make up. The aim of the draft resolutions was not to cause controversy by compelling others to give assistance against their will but only to urge members of the international community to help one another in time of need.

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(Mr. Sallu, Sierra Leone)

137. The situations of the countries covered by the resolutions differed, but they all clearly needed assistance. The more rapid and substantial the response, the more likely it was to have a real effect. He hoped that the Committee could reach consensus on the draft resolutions without difficulty. A number of countries had joined the sponsors of the various resolutions: A/C.2/38/L.50 - Liberia, Trinidad and Tobago, and Tunisia; A/C.2/38/L.52 - Rwanda; A/C.2/38/L.54 - Rwanda and Turkey; A/C.2/38/L.58 - Rwanda; A/C.2/38/L.60 - China; A/C.2/38/L.64 - Austria, Canada, China, France and Nigeria; and A/C.2/38/L.66 - Rwanda.

138. Mr. RAMOS (Cape Verde) said that Sweden had joined the sponsors of the draft resolution on assistance to his country (A/C.2/38/L.64). His country in turn had joined the sponsors of draft resolutions A/C.2/38/L.50, L.54 and L.58.

Draft resolution A/C.2/38/L.51

139. Mr. YIFRU (Ethiopia), introducing draft resolution A/C.2/38/L.51 on assistance to Democratic Yemen on behalf of its sponsors, said that the floods caused by heavy rains in March 1982 had devastated Democratic Yemen's infrastructure and severely affected the economy, despite the efforts of the Government. ECWA had therefore called for a programme to rehabilitate the flooded areas and, thanks to international assistance for the Government's efforts, the country was currently engaged in the rehabilitation process. However, the various projects were only a beginning and there was still a long way to go. There was, therefore, a need for further humanitarian assistance, and the sponsors of the draft resolution hoped that it would be adopted by consensus.

The meeting rose at 8.10 p.m.