



SECOND COMMITTEE  
7th meeting  
held on  
Friday, 7 October 1977  
at 10.30 a.m.  
New York

SUMMARY RECORD OF THE 7th MEETING

Chairman: Mr. JANKOWITSCH (Austria)

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The meeting was called to order at 10.45 a.m.

GENERAL DEBATE (continued)

1. Mr. MORSE (Administrator, United Nations Development Programme), speaking as Secretary-General of the United Nations Conference on Technical Co-operation among Developing Countries, to be held in 1978 in Buenos Aires, gave a progress report on preparations for the Conference. He mentioned, in particular, the past two regional conferences, held in Ethiopia and Kuwait, the results of which showed the very great interest which countries had in questions relating to technical co-operation among developing countries.
2. He went on to refer to the two sessions of the Preparatory Committee held during the current year. The Committee had met in an open and tolerant spirit; it had worked on the preparation of a draft plan of action reflecting a systematic set of guidelines and had made a number of recommendations. It had, inter alia, recommended that the Conference should hold six meetings a day instead of four, in order to give adequate consideration to the large number of substantive questions included in the provisional agenda. It had also recommended that the Conference should be postponed until the end of August 1978 in order to allow more time for the preparation of documentation and ideas. The financial implications of those recommendations should not exceed 5 per cent of the current estimated total budget of the Conference and, since the funds allocated to the Secretariat had been used efficiently and economically to date, the additional costs could be partly absorbed by the savings realized during the current year. The recommendations of the Preparatory Committee had been approved by the Governing Council of UNDP and by the Economic and Social Council and he expressed the hope that the Second Committee would also endorse them.
3. At its third and final session, the Preparatory Committee would finalize the draft plan of action and approve all documentation in final form. In that connexion, he said that the Secretariat had been requested to emphasize in the draft plan of action the importance of participation by appropriate professional, technical and voluntary organizations in the developing countries - for example, universities, research institutes and technical institutes - in activities and programmes relating to technical co-operation among developing countries. Under General Assembly resolution 31/179, however, such organizations would not be able to participate in the work of the Conference unless they were accredited as non-governmental organizations in consultative status with the Economic and Social Council, which many of them might not be. The Committee might therefore wish to recommend to the Assembly, inter alia, that appropriate participation by observers from such professional and technical associations and organizations should be envisaged. He himself was very much in favour of such a recommendation.
4. He noted that, whereas for other United Nations conferences the preparatory process generally consisted in regrouping well-known assessments and concepts, in the case of the Conference on Technical Co-operation among Developing Countries, the process had provided an opportunity to raise new political and operational problems and to explore areas previously disregarded. In his eyes, that was enough to justify the holding of the Conference, which he felt sure would make a decisive contribution

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(Mr. Morse, UNDP)

to the restructuring of the world economy, provided that the participants engaged in a vigorous and open dialogue and the preparatory work was carefully planned in an innovative spirit.

5. Mr. ALZAMORA\* (Peru) said that the debate in the Second Committee, which should be guided by a spirit of understanding and co-operation, was in fact beginning in a spirit of frustration and misunderstanding. Disagreement was so profound that it had not even been possible to reach agreement on an evaluation of the results of the Paris Conference. Speakers had had recourse to a white lie and claimed that the Conference had not reached agreement owing to lack of time. In fact, it was a well-known fact that there had been neither any substantive agreement nor any formal agreement. The adoption of a frank approach would offer more opportunities for the solution of the problems at issue, which were vital for the vast majority of States Members of the United Nations and which were fraught with consequences for the well-being and survival of peoples and, in the last analysis, for world peace.

6. The economic problem had become the most political problem facing the United Nations and it was important to recognize that phenomenon in time. Tensions and confrontations were gradually moving from the political to the economic field and it was therefore important to establish new priorities. While he did not disregard the fact that points of tension which were of crucial and very serious importance for world peace and security still persisted, in particular in the Middle East and Africa, he felt that with détente and the normalization of relations among the Powers, the recognition of political and ideological pluralism, the efforts to achieve disarmament, and the recognition of the right to a decent standard of living, the great political confrontations witnessed in recent decades in the world were gradually yielding to a modus vivendi which offered greater possibilities for previously un hoped-for rapprochement and co-operation. In the economic sphere, however, tension was becoming daily more acute, the unwillingness of the countries which benefited from the current unjust economic order to abandon their privileges being set against the irrevocable will of those which were victims of that order and were firmly determined to do everything to establish new just and equitable relations.

7. For that reason it was essential to try to throw light on what had occurred in Paris and to draw the necessary conclusions concerning the political nature of the debate and, above all, concerning the importance of the current debate in the Second Committee, particularly for the third world countries which had, for a long time, perhaps intentionally, been directed into debates where their decision-making power was marginal and diverted from debates where, in view of the new economic and financial relationships, they had for the first time an un hoped-for opportunity to transform world economic - and thus political - structures and to work for the establishment of a new just and prosperous international order.

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\* This statement has been given full coverage in the summary record in accordance with the decision taken by the Committee at its 8th meeting.

(Mr. Alzamora, Peru)

8. In his view, far from being merely an additional episode, a diversion which would be better forgotten, as if all problems should disappear as if by enchantment as soon as one was once again in the more traditional forum of the United Nations, the Paris Conference had been an important conference. It had, in fact, been the scene of a great confrontation with a view to the reform of the world structure of economic domination - the basis and condition of political domination - in which the unity of the third world and the negotiating power which it had recently derived from its hold over the price of oil had been constantly called into play.

9. The international press had presented the Paris negotiations as being basically an attempt on the part of the developed countries to remove from the developing countries - in exchange for a \$1 billion fund - the unilateral power to fix the price of oil. Without wishing to pronounce on the justice of that harsh view, he felt it was important to remember that it was because of the solidarity and maturity shown by the 19 and the political support given to them by the 77 that the unity and negotiating power of the developing countries had not been shaken. Throughout the negotiations they had kept the conviction that they should never abdicate their unilateral power to fix the price of oil as long as the developed countries had the unilateral power to fix the prices of their manufactured products as they saw fit.

10. But if the Paris Conference had, from a tactical viewpoint, been a success for the third world, it had given rise to many frustrations and had upset mutual co-operation and understanding which were increasingly necessary in a world characterized by interdependence. In his view, the reason for that was that, despite the political commitment they had made at the seventh special session of the General Assembly, the industrialized countries had gone to Paris with the intention of perpetuating the old international economic order, with a few contingency adjustments, and not with the intention of making the genuinely necessary structural changes. In Paris, the developing countries had demanded justice and they had been offered charity. They had demanded equitable trade relations and they had been offered aid. They had demanded fair prices for their products and they had been offered an opportunity to produce at a loss in exchange for reimbursable financing, in other words while continuing to become indebted. But there had not even been any mention of that debt - which generated injustice - or of the erosion of the purchasing power of the developing countries - which was an aggravating factor. For that reason, one could only pass a definitely negative judgement on the north-south dialogue - which Peru had supported to the best of its ability - and attribute the responsibility for that failure to the industrialized countries which had rejected the proposals of the developing countries without suggesting any genuine solutions in their place.

11. He recognized, however, that the Paris Conference had also given rise to an exchange of ideas which had started a process of change which could not be ignored. For the first time, the United States had insisted on the need - while waiting for an adequate system of buffer stocks - to establish effective machinery for the stabilization of commodity prices. It was currently participating in negotiations for a sugar fund and buffer stock; it had agreed in principle to participate in the

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(Mr. Alzamora, Peru)

coffee fund and stock proposed by the Latin American countries, and it had announced its intention of participating in the tin stock and in any similar machinery set up for rubber and copper. For that reason he felt, in the last analysis, that, without meeting the global expectations of the developing countries, all the partial progress he had mentioned, which had been inconceivable before the Paris Conference, signified a desirable evolution which should be noted with interest and hope.

12. In his view, it was essential to approach the economic debate with a clear mind, free from all dogma and all taboos. The dogma of a truly free market, governed solely by the law of supply and demand and proof against interference and manipulation, had been virtually abandoned, as the example of the recent negotiations between the United States and Japan demonstrated. What remained was to get rid of the taboo on indexation. Paris had witnessed the refusal even to discuss the question of protecting the developing countries' purchasing power. What they were being offered was agreements on stabilizing commodity prices concluded under conventional rules, meaning that agreed maximum and minimum prices would be fixed for a period of four or five years. However, at a time when the industrial countries themselves were admitting to annual inflation rates of at least 7, 9 or 10 per cent, which obviously led to higher prices for their manufactures, developing countries which exported raw materials could hardly be asked to give up any hope of incorporating mechanisms for readjusting prices to take account of inflation into such agreements. It was surely logically and morally impossible to ask the developing countries to agree to receive in five years' time a price for their raw materials equivalent to only half their real value when they would have to pay for their imports of manufactures a price which had risen by almost the same proportion because of inflation. Readjustment mechanisms were obviously an essential element in the process of rationalizing trade.

13. Unless things changed, the terms of trade would increasingly deteriorate for the developing countries, compelling them to increase their indebtedness. As matters stood, the total external indebtedness of the developing countries was approaching \$300 billion, a figure equal to annual expenditure on armaments throughout the world. Nevertheless, although the magnitude of that indebtedness evoked irritation and criticism from large segments of public opinion, all that was done was to report it and express concern about it, since there were doubts about the capacity of the developing countries to repay it.

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(Mr. Alzamora, Peru)

14. In the hope of confusing world opinion and concealing where the responsibility lay, efforts were being made to attribute the sharp rise in the developing countries' indebtedness to the rise in oil prices which, as everyone knew, played only a small part. There was no doubt, however, that the outstanding solidarity being shown by oil-importing developing countries for the sake of third-world unity necessitated the establishment of compensatory mechanisms as a matter of urgency. It was essential that, in the same spirit of solidarity, the negotiating strength associated with petroleum should, once and for all, be employed to serve all developing countries, particularly with a view to ensuring just remuneration for other raw materials trading. An over-all co-ordinated, realistic and far-sighted strategic approach should be employed to maintain and strengthen the negotiating strength associated with petroleum - which would inevitably weaken - by enhancing the value of other raw materials and increasing the negotiating power associated with them.

15. It was for that reason that it was disquieting to note that the oil-producing countries were gradually being given the benefit of the new international financing facilities, the purpose of which was to consolidate the traditional financial structure, which was being undermined by the burden of the enormous debts accumulated by developing countries owing to the unjust pattern of world trade, while purely financial transitory measures were being used to avert the structural reforms demanded by the developing countries.

16. There could be no question of refinancing the constantly rising indebtedness of third-world countries indefinitely. They would have to finance it from their own resources. And while it was true that a moderate reduction in customs tariffs could be useful in that process, the fundamental solution lay in realism and in just prices for raw materials: such prices should be strictly related to the intrinsic value of the product and the labour cost incorporated in it. It was impossible to agree to an unjustified price decline on the pretext that the difference would be financed by reimbursable loans. Third-world countries could not continue to plan and carry out their development while they were at the mercy of sudden price fluctuations, nor could they continue to go into debt in order to produce at a loss. The time to think about those questions had come because, although some denied it, the process of world confrontation between raw materials producers, increasingly united, and industrialized countries, increasingly dependent on those raw materials, had already begun as a result of the failure of negotiations and dialogue; the importance of that development was obvious.

17. In view of the frustration engendered by the Paris Conference and the failure of the resumed thirty-first session of the General Assembly, it was the duty of the thirty-second session to resume and revive the debate on the new international economic order. The first requirement was to determine the essential themes, which included the creation of a common fund, the protection of purchasing power and external indebtedness, and the second was to set up an effective negotiating body. The new body should be fairly small and should have political decision-making

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(Mr. Alzamora, Peru)

power; created by the United Nations and accountable to it, it need not be one of the bodies that met periodically and its meetings would not necessarily be held at Headquarters. It should be unique because further proliferation of negotiation bodies and the fragmenting, from the conceptual and political point of view, of a global process would be a fatal strategic error for the developing countries and would be helpful only to those who benefited from the existing status quo.

Finally, it should represent all countries, including the socialist countries, that were required to shoulder responsibilities. In the urgent task of reorganization and change, nobody could be neutral. Whatever the validity of the arguments adduced to determine who was responsible for under-development might be, all those who benefited by keeping the conditions of international trade unchanged were partly to blame. Moreover, the invaluable conceptual, political and material support of the socialist countries was essential to the success of a historic process of liberation and justice.

18. At the thirty-second session, the fundamental task of the General Assembly was to reaffirm that the negotiations were eminently political in nature and that their aim was structural, rather than merely palliative or philanthropic. What, in fact, the developing countries were claiming was not the wealth of the industrialized countries but their own wealth, as represented by the value of their products and their labour.

19. A recent report had stated that if there were 1,000 people in the world, 50 per cent of all income would go to 60 people and the remaining 50 per cent to the other 940. Written communication media would serve only some, as 700 would be illiterate. Of the 1,000, 500 would be suffering from hunger. Given those figures, there was reason to ask whether the industrialized countries, which were justly proud of the political and social democracy, could allow such a situation to continue within their own societies and their own political systems. One might also ask whether they sincerely believed that that state of affairs could continue indefinitely without threatening world peace.

20. He hoped that the forthcoming debate would enable negotiations on the new international order to be as realistic and sincere as justice and reason required, since change was inevitable if the aim was to replace confrontation and violence by understanding and peace. Throughout the process, the third-world countries would be carefully and hopefully watching the attitude of those industrialized countries which were showing sufficient foresight to support, in varying degrees, the developing countries' demands. He himself was convinced that the spirit of Nairobi - because it was at Nairobi that a sharing of criteria and objectives with the group of countries in question had manifested itself most clearly - would govern their position during the negotiations and that their positive political and moral support, so important for the third-world countries, would facilitate and accelerate the economic reorganization on which peace, justice and the prosperity of all peoples depended.

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21. Mr. KANAZAWA (Japan) said that the resumed thirty-first session of the General Assembly had been a disappointment to his delegation, not so much because of the lack of agreement on assessing the results of the Conference on International Economic Co-operation as because the achievements of a meeting of a small group of countries had not been found acceptable by a larger body, a development indicative of structural difficulties. Although the United Nations, as the most representative international organization, was especially suitable for debating and deciding problems of world importance, it would be futile to expect to carry on successful negotiations and to reach effective conclusions within such a large institution.

22. As the Minister of Foreign Affairs of the Federal Republic of Germany had said, a new international economic order should be created which made it possible for all men to lead a life free from hunger and need. In that connexion, it should be emphasized that the United Nations was unique in having managed to get the need for a new international economic order accepted not only by developing countries but also by developed countries. His delegation reaffirmed that it would take an active part in the efforts of the international community for the development of the developing countries and of the world economy.

23. With reference to the new international development strategy for the 1980s, the preparation of which was to begin at the thirty-second session, his delegation's first assumption was that that period would not be marked by economic prosperity. A probable deceleration of growth would compound economic and social problems in both developing and developed countries. Consequently, a new international economic relationship would have to be sought that would bring about faster growth in developing countries than in developed countries.

24. Secondly, his delegation felt that the International Development Strategy was not an economic planning exercise but rather an undertaking to give orientation to international development efforts. In that context, since the ultimate concern of the international community was the welfare of every individual, which could be defined more readily in qualitative than in quantitative terms, numerical targets were not sufficient and account must be taken of the qualitative aspects of development in the preparation of a new Strategy. It should also be recalled that in the course of the last two United Nations Development Decades a number of fixed growth-rate targets had been established which had not related to the growth targets of individual developing countries and had not been capable of adjustment to exogenous changes in the world economy. In view of the difficulty of making long-term economic projections and of the dynamic nature of the new international economic order, it would be preferable, in the new International Development Strategy, either to define the targets in relative terms, i.e. relative to certain economic phenomena, or to establish indicative targets which could be readjusted periodically during the Decade according to the changing needs of the developing countries.

25. Thirdly, his delegation felt that the need for agricultural development must be emphasized in the new Strategy. It was obvious that low agricultural growth -- 2.4 per cent as against a target of 4 per cent -- had slowed the growth of gross

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(Mr. Kanazawa, Japan)

national product in the developing countries and had caused a decline in exports, inflation and a balance-of-payments deficit. Moreover, a self-sufficient food supply in the developing countries would surely improve their economic growth prospects. The different stages of development among developing countries called for different strategies, and special consideration should be given to the needs of low-income countries. It was also essential for the entire population in the developing countries to be able to participate directly in the development process and to share in its benefits. Accordingly, the basic human needs strategy, which could be formulated by each developing country, should be one of the main considerations in preparing the Development Strategy.

26. Fourthly, he emphasized the importance which Japan attached to the energy, resources and trade sectors, which were key elements in the restructuring of international economic relations. A wide range of problems in that regard must be thoroughly discussed, and the new Strategy should provide clear orientation for both consumer and producer countries. His delegation also felt that there was a need to improve the quality and volume of the transfer of real resources to the developing countries. The Japanese Government planned to more than double its official development assistance in the next five years while improving the terms of its aid to low-income countries.

27. Co-operation among developing countries should be another element in the new Strategy. Such co-operation served as a generator of new knowledge relevant to the developing countries which was not available in the developed countries. At the same time, technical co-operation among developing countries should constitute an integral part of international co-operation for development and should complement the traditional type of technical co-operation, which would continue to play an important role. Attention should also be drawn to the importance of regional and subregional co-operation to the economic development of the developing countries.

28. Finally, his delegation felt that, since the preparation of a new Strategy called for the examination of all aspects of economic and social development, it should be entrusted to a subsidiary organ of the Economic and Social Council. The organ should in principle be open-ended since proceeding by consensus was vital to the formulation of a workable Development Strategy, but, at the same time, a small number of countries could work as a core group.

29. His delegation also noted that a number of constructive proposals, such as those for following up the Mar del Plata Plan of Action adopted by the United Nations Water Conference, had been made at the fifth session of the Committee on Natural Resources and subsequently adopted at the sixty-third session of the Economic and Social Council. At the sixty-third session of the Council, the Secretary-General had also referred to the need for the establishment of a new central institution for energy; his delegation felt that that proposal deserved serious consideration in the Second Committee.

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(Mr. Kanazawa, Japan)

30. His delegation believed that the United Nations Conference on Science and Technology should examine international problems in that field in a technical and pragmatic manner so as to respond to the needs of the international community. It had become apparent at the last session of the Economic and Social Council that difficulties were being encountered in the preparations for the Conference, and the Council had adopted a resolution in an effort to deal with them. It was to be hoped that those problems would be overcome, and his delegation would spare no effort in co-operating with others to that end.

31. He was gratified to note that the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, working mostly through informal consultations, had made progress in narrowing areas of disagreement and that the work of the Committee was now entering its final stage, even though it had only begun the process of restructuring and was not drawing up detailed action proposals. With regard to the restructuring of the Economic and Social Council, his delegation felt that the work of the Council's subsidiary bodies should in principle be replaced by subject-oriented sessions of the Council but that the expertise of the subsidiary bodies should be retained. If the Ad Hoc Committee did not have sufficient time to decide which bodies should be discontinued, a first step might be to discontinue those bodies on which agreement could easily be reached, with the Council's subject-oriented sessions taking over, as an experiment, the functions of other subsidiary bodies on the understanding that the latter would suspend their meetings for two years.

32. His delegation also saw merit in the suggestion that small ad hoc consultative groups should be established. On the other hand, it was not convinced of the need to create a post of Director-General for Development and International Economic Co-operation, since that might dilute the prerogatives of the Secretary-General and lead to the compartmentalization of the Secretariat.

33. Mr. BROWN (Australia) said that the importance of economic co-operation and the need for viable changes in the international economic system were now widely recognized by Governments. The task of transforming that need into practical policies was already under way within the United Nations system, and particularly in UNCTAD. His delegation agreed that there was a need to bring about a more equitable and soundly based world economic order. Although that process was far from complete, one should not underestimate the changes achieved after almost four years of continuous debate on economic issues, which had raised the consciousness of Governments and of the world community.

34. The Conference on International Economic Co-operation had, inter alia, fostered a deeper appreciation of North/South issues. Although the resumed thirty-first session of the General Assembly had shown that agreement did not exist in assessing the results of the Conference, his delegation felt that the latter had created greater understanding between developed and developing countries and that the agreements reached at Paris could provide a basis for future discussions in the United Nations and other forums.

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(Mr. Brown, Australia)

35. In addition to the agreements that had been concluded, results which were less obvious but no less positive had been achieved in other areas, particularly with regard to official development assistance, which, it was hoped, would be increased in the years to come. Australia would maintain and, if possible, substantially increase its assistance to the developing countries. In its recent budget, his Government had increased the level of over-all aid by 12 per cent and that of aid provided to multilateral agencies by just under 50 per cent. Australia believed that all countries had a responsibility to foster international economic co-operation and to work towards improvements in the developing countries.

36. It was not surprising that some issues had remained unresolved at the Conference, for in many cases they were problems which had defied solution for some time, in other cases they were highly complex, and in yet other cases they had been under consideration for the first time; energy was an example of the latter. In that connexion, it was encouraging that producers and consumers had initiated a dialogue and agreed on the need for more efficient utilization of energy resources.

37. However, the Conference was only one step in a continuing process which must go forward in a spirit of co-operation and understanding. In that context, his delegation hoped that international consultations on energy would be resumed; as a potentially important energy exporter, Australia was ready to play a full part in such a dialogue. In view of the importance of energy supplies to the development of the world economy, it was essential that the United Nations system should be able to contribute to the discussion of that question, and his delegation hoped that it would be possible for an exchange of views to take place at the thirty-second session.

38. An important task now facing the General Assembly was the preparation of a Strategy for the Third United Nations Development Decade, which was a highly complex matter in view of the uncertainty with regard to the prospects for sustained world growth and the ever-present threat of trade restrictions should the rate of growth falter. More sophisticated models for economic and social analysis were now available, but at the present session it would probably not be possible to do much more than begin to identify the parameters within which the Third International Development Strategy should be formulated.

39a. The central objective of the strategy was to ensure that the developed and developing countries made a joint effort to promote faster rates of real growth in the developing countries in general and to meet as rapidly as possible the essential needs of all the world's peoples, giving priority to adequate food production. His delegation thought it desirable to formulate a medium-term strategy covering about 20 years which could be reviewed every three or four years and, whatever its duration, should be adaptable to new situations. It should make finer distinctions between the problems of groups of particular countries and should envisage different solutions for them.

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(Mr. Brown, Australia)

39. Science and technology played an important role in solving the problems that would have to be dealt with by the third international development strategy, a fact recognized by the General Assembly in its decision to hold a United Nations Conference on Science and Technology for Development before the adoption of the strategy. The Preparatory Committee for the Conference had established a programme of preparatory work which, at the present stage, emphasized the drafting of detailed national reports. It was, in fact, probable that an examination of the role of science and technology in national development would help the developing countries identify the areas in which science and technology could promote development. In his delegation's view, the General Assembly should see to it that the various countries and regions had adequate material and technical resources to make those preparations.

40. His delegation further proposed that, in view of the delay in the preparation of national reports, the date of the Conference should be postponed, while still leaving enough time to integrate the results of the Conference into the international development strategy to be adopted in late 1980.

41. Emphasis had increasingly been placed, particularly by the developing countries, on the concept of collective self-reliance, as evidenced by the decision to hold a Conference on Technical Co-operation among Developing Countries. The preparations for the Conference had made it possible to define that concept more precisely, and his delegation hoped that at the Conference that type of co-operation would be regarded as an integral part of the development process rather than as a separate sector. Australia, like other developed countries, was prepared to promote the implementation of technical co-operation between developing countries, as demonstrated by its efforts to facilitate mutual assistance between the countries of South and South-East Asia and the Pacific.

42. He recalled the importance of reaching a consensus on the international institutional arrangements in the matter of human settlements during the current session of the General Assembly. His delegation, for its part, would work towards the achievement of a compromise in that field and hoped that other delegations would do likewise.

43. Referring to the final report of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, he stressed the importance of adapting the institutional structure established since the creation of the Organization so that it might respond more effectively to the demands made on it by Member States.

44. Mr. BOTERO (Colombia), referring first of all to the report of the Economic and Social Council, noted that in its resolution 2124 (LXIII) the Council had decided, inter alia, to urge the developed countries and all international organizations and financial institutions to increase their financial and technical assistance to the least developed countries and to adopt special measures in favour of those countries. His delegation shared the concern of the United Nations system for improving the situation of the least developed countries; however, it felt obliged to re-emphasize that the preferential treatment accorded to those countries could not and should not be given at the expense of the other developing countries.

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(Mr. Potero, Colombia)

45. That had been stressed by his delegation as early as 1974, when it had drawn attention to the kind of discrimination being in fact inflicted in the United Nations on those countries which, while not developed countries, were no longer in the category of the least developed countries or in another category of particularly disadvantaged countries. His delegation had found it disturbing that the Organization seemed to measure under development solely in terms of population size and per capita income and was operating on the principle that if a country's per capita gross national product exceeded a given amount, then its population enjoyed satisfactory conditions in the fields of food, health, education and leisure. The notion of distribution of income and wealth was overlooked in such cases.

46. In addition to those considerations, his delegation wished to state that with regard to the flow of foreign development assistance and the foreign debts of developing countries, the principle of universality should be very scrupulously respected. It would be dangerous to exclude from the measures adopted in that field those countries which had reached an intermediate level of development, since that could retard their development process.

47. He recalled that it had been at his delegation's suggestion that UNCTAD resolution 62 (III) had included the following paragraph (para. 2):

"Any action or special measures taken in favour of the least developed countries in any of the fields mentioned below, while securing due and equitable benefits for the least developed countries, should ensure that the interests of the other developing countries are not injured or prejudiced in any manner."

48. At the same time, of course, Colombia viewed with satisfaction and in a spirit of true solidarity the efforts made by the United Nations in favour of countries which had suffered natural disasters and were in need of urgent special measures.

49. Turning to agenda item 67 on the evaluation of the progress made in the implementation of certain General Assembly resolutions, he observed that the developing countries' own efforts were not sufficient by themselves to enable those countries to reach a desired rate of development as rapidly as was necessary and that they should be helped by an increase of capital flow and by the adoption of more favourable economic and trade policies on the part of the developed countries. In that respect, the scant results achieved at the Paris Conference gave little reason for optimism. In spite of everything, the international community should redouble its efforts to ensure that the work begun at Paris continued to be discussed not in restricted forums whose very nature made it doubtful that their conclusions could be universal but in the United Nations itself.

50. In his delegation's view, a universal policy of economic co-operation, within the context of the International Development Strategy, the Charter of Economic Rights and Duties of States and other relevant resolutions of the General Assembly, should be guided in the main by the following principles.

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(Mr. Botero, Colombia)

51. With regard to commodities, Colombia believed that the objectives proposed in the Integrated Programme for Commodities might make it possible to improve the terms of trade by keeping prices at levels that would be remunerative and fair for everyone. However, it wished to emphasize that for certain commodities there already existed organizations in which the producers and consumers had established dynamic machinery that had proved effective. Moreover, the adoption of structures and machinery aimed at regularizing trade in different commodities should be carried out in such a way as to take account of the particular aspects of trade in each commodity and should avoid any abusive generalization. It was useful to recall that at the time of the adoption of UNCTAD resolution 93 (IV) on the Integrated Programme for Commodities, the representative of Colombia had stated that, although his delegation had joined in the consensus, it maintained its position that any integrated programme for commodities should specifically and unambiguously exclude commodities that were already governed by an existing agreement or one that was in the process of being ratified. (TD/217, part two, para. 24).

52. With regard to the common fund, Colombia believed that the financial obligations of the various States and the modalities to be adopted for that purpose, should be fixed within the context of each of the agreements on the various commodities.

53. He then stated more briefly the principles to be followed in the area of commodities: the international community should respect the right of the developing countries to form producers' associations which would include arrangements for joint marketing; those countries could adopt measures to recover, exploit, develop, market and distribute their natural resources in such a way as to meet the interests of their economic and social development; when there was foreign participation in the exploitation of natural resources, sustained efforts should be made to reduce the differences between the objectives of the host countries and those of the foreign enterprises; research on the possibilities of recycling should be intensified, particularly the recycling of non-renewable resources. Furthermore, in order to enable the developing countries to attain the objective of a 4 per cent growth rate in their food production, it would be necessary to increase their capacity to import production factors essential to agriculture; to offer international financing on favourable terms in order to facilitate the establishment of irrigation and drainage projects; to ensure not only the transfer of appropriate techniques but also the introduction of new techniques conceived expressly to meet the needs of each country; and, lastly, to devote special attention to the energy sector, in order to find new sources that could be used in meeting the future needs of the world's peoples.

54. In the field of world trade, with particular reference to manufactured and semi-manufactured products, the prospects of a less dynamic evolution of international exchanges and the persistence of abnormally high levels of unemployment in the developed countries seemed to indicate that it would be necessary to redouble efforts to prevent or eliminate protectionist pressures in the developed countries and reduce or eliminate tariff and non-tariff obstacles which affected the export trade of the developing countries. International co-operation in that field should be based on the following elements: recognition that the

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(Mr. Botero, Colombia)

two basic elements of the General Agreement on Tariffs and Trade - the principles of reciprocity and of the most-favoured-nation - were suitable for governing trade relations between equals but not trade relations between developed and developing countries; acceptance in the latter case of the principles of non-reciprocity and preferential treatment in favour of the developing countries; the application in developed countries of measures for the adjustment of industries designed to facilitate the expansion and diversification of exports of the developing countries, thus promoting a rational, just and equitable international division of labour; recognition that a system of safeguards applicable to a developing country could not be put into effect unless a distortion of the market was largely imputable to it, and that in any case it should be guaranteed a minimum volume of imports before recourse was had to application of the safeguard clause; the developed countries should recognize that the manufactured and semi-manufactured products of the developing countries could not be competitive on the international market unless those countries could offer their export industries incentives designed to compensate for their unfavourable situation; lastly, the developed countries should avoid any policy which would have the effect of cancelling out the relative advantages which the production of certain articles gave to the developing countries.

55. With regard to industrialization and the international division of labour, it should be noted that the success of a new international economic order would depend largely on its ability to modify the industrial geography of the world in such a way as to ensure greater participation by the countries of the third world in total industrial production. In the developing countries, industrial policy should in general be focused on the need to create employment through labour-intensive technologies. However, it could happen that in order rapidly to increase their exports such countries would have to develop capital-intensive sectors. Therefore, the international division of labour could not be based simply on assigning labour-intensive industries to one group of countries and capital-intensive industries to another.

56. With reference to the transfer of technology, he said that while it would not be advisable automatically to rule out certain modern and advanced industrial technologies, despite their high cost and their low degree of labour-intensity, emphasis should be placed essentially on highly labour-intensive processes if a choice had to be made between technologies having a comparable degree of efficiency. In the view of his delegation, international action in that field should include the following: easy and equitable conditions of access to the technologies of the developing countries; the introduction of a broad range of technologies for the manufacture of consumer goods that were currently imported by the developing countries; establishment in each country of a range of capabilities making it possible to select and assimilate appropriate imported technologies; promotion in those countries of services whose task would be to improve the empirical methods of the traditional sector; adoption of an international instrument which would make it possible to rationalize and achieve a better balance in the structure of the international transfer of technology and revision of the patent and industrial property system currently in force; formulation of targets for the application of science and technology to the solution of common problems; and, lastly, in the process of the restructuring of the economic and social sectors of the United Nations system, the establishment, as necessary, of a council on science and technology.

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57. With regard to the international monetary system, he said that the agreements reached in 1976 within the Interim Committee of the International Monetary Fund were mere palliatives that were not commensurate with the scope of the problem. Colombia was not convinced that the special drawing rights as reserve instruments could totally replace the gold standard. It did not believe that gold could completely lose its monetary function; if it could, then, in any case, it would be a matter of elementary justice to establish mechanisms guaranteeing adequate compensation to the developing countries which were producers of that metal. Because of the demonetization of gold, the current monetary system had practically all the characteristics of a virtual "dollar standard" and that practice of using national currencies as international reserve instruments had in recent years been the principal obstacle to efforts to redress the balance of payments and control international inflation.

58. Colombia felt that if the present system of loans and investments continued, in other words, if the granting of special drawing rights continued to be determined by the contributions of countries to the International Monetary Fund, the injustices would increase and the special drawing rights would not be able to fulfil the function for which they had been created. Their inequitable distribution had caused excessive liquidities in the developed countries, while the poorer nations suffered from a shortage of external resources indispensable to their progress.

59. At the same time, his delegation felt that the flows of financial resources for development which had their origin in the assistance furnished by the developed countries should be channelled essentially through multilateral financing institutions.

60. The control of inflation, and its vital importance for the economic and monetary order, was one of the major themes discussed at international gatherings in recent years. The Governments of the countries which were members of the Andean Group had recently proposed the convening of a world conference to study the problem of inflation. The Committee should give thought to the question of convening such a conference, a question which should have priority because the adverse and universal effects of inflation made any real and sustained development impossible, particularly when inflation coincided with an economic recession, as had been the case recently. Such a conference would study the causes of that phenomenon and would suggest the necessary remedies. Moreover, his delegation suggested that the intergovernmental machinery to be worked out by the new international development strategy should give particular attention to that point.

61. Turning to item 70, he said that mutual economic co-operation would enable the developing countries to strengthen their economies and increase their individual and over-all participation in international trade and world production. In Colombia's view, that co-operation should be based on the following elements: it should be recognized that the developing countries had the right to establish producer associations; the developed countries should adopt a more favourable attitude towards measures aimed at the more autonomous development of the

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developing countries; the competent organs of the United Nations should co-ordinate their activities in that field and increase their co-operation with other national and international bodies; the amount of the resources available in the United Nations system for financing the cost of that co-operation should be increased; lastly, the UNCTAD Committee on Economic Co-operation among Developing Countries should be enabled fully to play its part so as to encourage new forms of co-operation.

62. Colombia participated actively in the work of the Preparatory Committee of the United Nations Conference on Technical Co-operation among Developing Countries and in those of the Preparatory Committee of the United Nations Conference on Science and Technology for Development. It hoped that the Buenos Aires Conference would draw up a concrete programme which would be supported not only by the developing but also by the developed countries and that the technical co-operation programmes to be formulated would present a broad range of choices between different co-operating partners. His delegation supported the recommendations of the Preparatory Committee.

63. With reference to the Conference on Science and Technology for Development, his delegation noted that the regional commissions were expected to co-operate more actively in the preparations for the Conference. In particular, a regional meeting for Latin America was to be held in the second half of 1977; however, the Minister for Foreign Affairs of Colombia did not yet know what arrangements had been made by ECLA for that meeting.

64. Mr. PETRIĆ (Yugoslavia) pointed out that, during the past few years, the difficulties encountered in international economic relations had had serious repercussions on the economies of the developing countries. Inflation, deterioration in their terms of trade, their balance-of-payments deficit and increased foreign indebtedness, as well as growing protectionism, were all factors that had negatively affected the measures taken by those countries to accelerate their economic development. Also, a large number of developed countries had shown a lack of readiness to implement the measures that were indispensable to prevent a further widening of the gap between them and the developing countries. Practically nothing had been done to solve problems concerning commodities and trade, to ensure that the developing countries had access to the markets of the developed countries, or to protect their purchasing power. Moreover, the transfer of real resources was declining and, according to the data quoted by the World Bank, official development assistance was now smaller than in 1966, although the developed countries had announced their readiness to attain the target established under the International Development Strategy.

65. It was generally recognized that structural changes in international economic relations and the establishment of a new international economic order could alone ensure the solution of world economic problems, but very little had yet been done to find concrete solutions. That raised doubts about the genuine readiness of a number of important developed countries to seek those solutions. Those doubts had been confirmed, to a great extent, by the results of negotiations conducted so far, including the results of the Paris Conference.

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66. It was necessary at the current session to reach agreement on a number of priority problems that had been the subject of negotiations over a number of years. The developed countries should reconsider their positions and take concrete action, first in the General Assembly and subsequently in UNCTAD, during the resumed negotiating conference on the Common Fund and, at the beginning of the following year, at the ministerial meeting of the Trade and Development Board, which would be devoted to problems of indebtedness of developing countries.

67. Agenda item 67 was of particular significance because, in addition to the appraisal of the results of the implementation of the International Development Strategy, it encompassed all the elements of importance to the establishment of the new international economic order. Significant work had already been accomplished in that area which would considerably facilitate the task. The Group of 77 had recently adopted a declaration pointing out that the United Nations was the most appropriate forum for negotiations on the establishment of the new international economic order. The Yugoslav delegation would exert maximum efforts to ensure that those negotiations were successful.

68. His delegation had expected much more from the work of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System. The efforts made to restructure international economic relations must be accompanied by parallel action to enable the United Nations to cope with growing needs. The General Assembly and United Nations organs in the economic and social sectors, particularly UNCTAD, should become a mechanism serving as an adequate negotiating forum. The Yugoslav delegation therefore attached great significance to the forthcoming consultations. It was also in favour of the idea of strengthening "leadership" in the system, and supported the establishment of a post of Director General for Development and International Economic Co-operation, but only within the framework of a restructured system that would guarantee that the post would prove useful and effective and would contribute to the strengthening of all the functions of the United Nations, and primarily its negotiating functions.

69. Economic co-operation among developing countries was becoming an ever more important factor in accelerated development and the changing of international economic relations. The decisions taken at the Summit Conference of non-aligned countries, and primarily its Action Programme, which had been endorsed by all the developing countries at the Conference in Mexico, were an important contribution to such co-operation.

70. Science and technology played a significant role in development and the transformation of economies of various countries, and the developing countries had called on the United Nations system to help them to eliminate monopolies and obstacles to the more effective use of science and technology for development. It had been decided that an international code of conduct for the transfer of technology should be elaborated, and that the Conference on Science and Technology for Development should be held in 1979. It was to be hoped that a conference of plenipotentiaries could soon be convened for the adoption of a legally binding code of conduct, because only such a document could make it possible to eliminate all the anomalies that characterized the transfer of technology and the activities of transnational corporations.

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71. With regard to the preparations for the Conference on Science and Technology for Development, his delegation was afraid that the Conference was envisaged merely as an academic gathering which would be limited to an exchange of views, discussions on the future of science and the possible adoption of some concrete action in areas where, in the opinion of developed countries, the interests of the developing countries lay. It was imperative jointly to review the purpose of the Conference and make it clear that it must lead to concrete action. An example of the proper approach was provided by the efforts that were being exerted within the International Development Strategy and which had tended towards concrete definition and quantification of financial and other commitments. The Secretariat had an important role to play in that respect.

72. With regard to the need to develop the economic potentials of the developing countries and to use the most appropriate sources of energy, it was particularly important to make use of nuclear energy and technology for peaceful purposes, particularly in view of the various forecasts concerning the availability of conventional sources of energy. The developing countries would have to take account of that in their national energy programmes. It was necessary to prevent the strengthening of monopolies in that field and the imposition of unacceptable obligations on developing countries. There was an urgent need to find international solutions to ensure the free transfer of nuclear technology and its use for the accelerated development of the non-nuclear, primarily developing countries.

73. The elaboration of a new international development strategy was an important aspect of the establishment of the new international economic order. The Group of 77 had repeatedly emphasized that the development of international co-operation and improvement of the position of developing countries made it imperative to ensure the implementation of the decisions and resolutions of the General Assembly, and the General Assembly should also give priority to the matter at the current session. In the elaboration of a new international strategy, advantage must be taken of the experience gained during the first and second Development Decades. All future action should be based on the decisions taken on the establishment of a new international economic order. It would also be necessary clearly to define the role and contributions of all countries, and primarily the developed countries, regardless of their socio-economic systems. It would also be necessary to lay the foundations for equal participation by all States in international relations and decision-making on world economic problems. Lastly, it would have to be realized that the barriers to the development of international economic relations and improvement of the position of developing countries were essentially of a political nature.

74. With regard to the organization of work in that area, it was very important that all countries, and particularly the developed countries, should take an active part in the preparations. The Committee on Review and Appraisal could serve as a mechanism for those preparations, provided that appropriate modifications were made and that the task would not impair the performance of its duties. It was to be hoped that the United Nations Secretariat, the United Nations system as a whole, and particularly the Committee on Development Planning, would

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be actively involved in the elaboration of concrete measures in keeping with the objectives of the new international economic order.

75. During the session political agreement would have to be reached on a series of concrete priority questions. That would be the best way of confirming the directing role of the General Assembly with respect to the establishment of the new international economic order.

The meeting rose at 1.15 p.m.