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SECOND COMMITTEE  
8th meeting  
held on  
Friday, 7 October 1977  
at 3 p.m.  
New York

SUMMARY RECORD OF THE 8th MEETING

Chairman: Mr. JANKOWITSCH (Austria)

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GENERAL DEBATE (continued)

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

GENERAL DEBATE (continued)

1. Mr. ROMUALDEZ (Philippines) said he agreed with the Under-Secretary-General for Economic and Social Affairs that the international community was "deeply immersed in uncertainty": the global economy was at a crossroads, and the direction which was followed would dictate the state of economic and social development for the remaining decades of the century. His delegation agreed with the Under-Secretary-General that the development of the third world should become an integral and essential part of the strategy for achieving world economic recovery. The problems of economic recession should not be dealt with in isolation from the longer-term issues of development and international economic co-operation. The uneven and partial recovery of the developed countries from the effects of global recession had led them towards protectionism; the persistence of that trend could further weaken the economies of the developing countries. The limited results of the Paris Conference on International Economic Co-operation had on the whole proved disappointing to the developing countries. During the current session, therefore, the Second Committee should seek progress on the many issues left pending in the so-called North-South dialogue.

2. One of the most urgent problems was the indebtedness of the developing countries, which would reach an estimated \$250 billion in 1977. The debt-service payments of the oil-importing developing countries in 1977 would represent 18 per cent of their total export earnings and would reach an estimated level of 25 per cent in 1978. The situation was approaching crisis proportions for many developing countries, and concerted international action was therefore needed to alleviate their debt burden.

3. The complex of problems in the trade and commodity field required more positive responses on the part of the developed countries. The important agreement reached in Paris on the Common Fund and the Integrated Programme for Commodities must be complemented by agreements on specific issues at the forthcoming Fund negotiating conference as well as by more tangible progress on other aspects of trade between developed and developing countries.

4. With regard to food and agriculture, steps should be taken as speedily as possible to make the International Fund for Agricultural Development fully operational and to implement the Manila Communiqué of the World Food Council on the Programme of Action to Eradicate Hunger and Malnutrition. In his opening address to the Third Ministerial Conference of the Council, the President of the Philippines had stressed the need to stabilize food supply and increase production at a time when, although it was said that more food was available, there were in fact more people who were starving, hungry and malnourished. In addition, the President had pointed out that all over the world today the poor were in rebellion against centuries-old conditions that had held them in bondage to poverty and want.

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(Mr. Romualdez, Philippines)

5. With regard to the transfer of real resources to developing countries, his delegation welcomed the Paris commitment by the developed countries to increase their efforts to meet the official development assistance target of 0.7 per cent by the end of the decade. It was to be hoped that measures would be taken to improve such transfers, as envisaged by General Assembly resolution 3362 (S-VII), adopted at the seventh special session. The record of the developed countries in that field was disappointing. Their net capital assistance to the developing countries had amounted to about \$35 million, which was equivalent to the nearly \$35 million spent every hour on the arms race. Nevertheless, his delegation noted with some optimism the statement by the President of the United States to the effect that his country was willing to reduce its nuclear weapons by as much as 50 per cent. If that was done, billions of dollars would be released for efforts to solve problems related to economic and social development, as set forth in the International Development Strategy. There should, therefore, be a close link between the Second United Nations Development Decade and the Disarmament Decade.

6. In the coming years, science and technology and technical co-operation among developing countries could be expected to play a more important role in global development. Hence the need for intensive preparations for the forthcoming conferences in those areas, which should greatly intensify the process of sharing knowledge and expertise both between developing countries and between developed and developing countries.

7. Turning to the energy issue, he noted that the Secretary-General, in his recent report on the work of the Organization (A/32/1), had stressed the imperative need to begin looking towards an energy order which could protect humanity against grave risks while providing the world economy with an essential resource in sufficient quantities and with a wider geographical base. His delegation hoped that new and appropriate ways would be found for involving the United Nations constructively in the search for solutions to global problems in the field of energy.

8. The issues he had outlined were priority areas requiring immediate action or long-term approaches in the context of the formulation of a new International Development Strategy. It was essential to act on them with sincerity and resolve and with the necessary political will.

9. Mr. NANDOE (Surinam) said that after a promising beginning in the current decade, the developing countries had recently been adversely affected by the economic recession and inflation. The current-account deficit of most developing countries, which was caused by the world economic situation and, particularly, by the worsening of the terms of trade, had nearly tripled from 1973 to 1976. That had resulted in a need for external financing and an increased total debt. Although to date there seemed to be no international consensus on an acceptable solution to the problem, his country sincerely hoped that the forthcoming ministerial conference in Geneva would help to alleviate the debt problem of the *developing countries*.

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(Mr. Nandoe, Surinam)

10. The rate of economic growth should benefit the average man and woman in the developing countries, but that unfortunately was not often the case. Investment policies should therefore be formulated and carried out in such a manner that a sufficient part of the resources would be directed to the social sectors, such as public health, education and housing. His delegation, however, wished to make it very clear that that basic reality must not be used as an argument against those investments which were necessary for the strengthening and expansion of the economy as a whole without having a direct tangible effect in the social sector. In his study on the future of the world economy, Professor Leontieff had pointed out that if there was to be an accelerated and balanced growth in the economy of the developing countries, there must, in the first place, be a change in the structure of the world economic order and, in the second place, far-reaching internal changes of a social, political and institutional character in those countries. Neither of those two conditions, taken separately, was sufficient: accelerated development could be achieved only by a combination of the two. Progress towards the industrial production goals for the year 2000 set forth in the Lima Declaration and Plan of Action was not satisfactory. UNIDO could play an important role in the promotion of multilateral and bilateral arrangements for industrial co-operation to accommodate the varying requirements of the different countries. In particular, consideration should be given to the special needs of those developing countries which had small markets, limited industrial capability and inadequate infrastructure. Small-scale industry continued to suffer from a lack of financial, managerial and technical assistance. The few developing countries which had been successful in that field could share their experience and techniques with the rest of the developing world.

11. The promotion of economic co-operation among developing countries was now an accepted part of international development policy. The Economic Commission for Latin America had participated actively in the creation of the Latin American Free Trade Association and the Central American Common Market and was co-operating in the work of the Caribbean Development and Co-operative Committee to promote co-operation and development among the member countries of the area. There was, however, a general feeling that such efforts - aimed primarily at overcoming the constraints of exceedingly small markets - had made little progress and in some cases were at a standstill. One of the reasons for such stagnation was the tendency for the main benefits of integration to be reaped by the relatively more developed partners. Traditional instruments, such as trade liberalization and common external tariffs, had tended to accentuate the imbalance. Another reason for the inequality seemed to be a weakness in the regional infrastructure: the lack of adequate facilities for intraregional trade worked against the development of trade in agricultural products. Furthermore, problems in economic co-operation arose because scarce foreign exchange was being devoted principally to the importation of essential consumer and capital goods.

12. At present, the most substantial gain from economic co-operation did not come so much from the widening of markets as from the complementary development of key activities and sectors. In that connexion, mention should be made of the development of multinational enterprises in Latin America, the establishment of a multinational shipping company in the Caribbean and the construction of a highway linking several countries in the Amazon region.

(Mr. Nandoe, Surinam)

13. The Integrated Programme for Commodities was an essential element of the new international economic order. His country, therefore, looked forward to the forthcoming negotiating conference on the Common Fund to be held in Geneva. Concrete achievements at that meeting would significantly improve the climate of international economic relations.

14. In recent years, concern over fundamental development problems had led to the convening of a series of world conferences on such issues as population, food, the status of women, human settlements, water and desertification. Was the world any better off as a result of those conferences, or had they only provided forums for debate at the global level? Major problems could not be solved without united international action within a co-operative framework. Opinions might differ regarding the relative merit of such conferences; however, if they were viewed in the context of existing possibilities it had to be recognized that they did contribute to the common effort to tackle current individual and mutual problems.

15. Mr. MUTATI (Zaire), referring to the statement by the Under-Secretary-General for Economic and Social Affairs, said that the international community should try to prevent the development of an ever-increasing disparity among the developing countries themselves. To that end, it was essential to stop treating the third world as a homogenous group in so far as its needs and interests were concerned. Among the continents of the third world, Africa suffered from profound economic and social stagnation, and national and international efforts in that region should, therefore, be intensified. In that connexion, he welcomed the adoption of Economic and Social Council resolution 2097 (LXIII) on the Transport and Communications Decade in Africa. On the other hand, the international community had not shown any great interest in other proposals aimed at helping the most underprivileged countries, such as the United Nations Special Fund for the most seriously affected countries, which appeared to have been consigned to oblivion. The same was true of most of the resolutions adopted by the Organization, such as those relating to the International Development Strategy for the Second United Nations Development Decade, the Programme of Action for the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the development of international economic co-operation.

16. As the head of his delegation had pointed out in his statement to the General Assembly, the implementation of resolutions required not only realism but also sincerity and respect for the pledged word. However, there were also other reasons for the inertia of the United Nations, such as the defence of acquired privileges, fear of change, the significant financial implications of most resolutions and basic ideological differences in the behaviour of States. The procedure of adopting resolutions by consensus, under which some Member States pretended to support decisions which they subsequently failed to implement, was also part of the problem.

17. With regard to economic co-operation among countries with different levels of development, he referred to the Conference on International Economic Co-operation and endorsed the suggestion of the Under-Secretary-General for Economic and

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(Mr. Mutati, Zaire)

Social Affairs that the Committee should take systematic advantage of the most important achievements of that Conference and give real content to the partial agreements which had been reached, including those relating to the Common Fund, the special action programme and the African plan for the development of communications and transport infrastructure.

18. With regard to co-operation among developing countries, his delegation believed that it should begin at a modest subregional level before being extended to the regional and interregional levels. Within that framework, Zaire, Rwanda and Burundi had established the economic community of the countries of the Great Lakes and had set up a development bank for the purpose. Such efforts deserved wide support, as did those of the community of West African States, for they were a prelude to and should facilitate the emergence of an African common market as defined at the Ministerial Conference on Economic Co-operation in Africa held in Kinshasa in December 1976. Of course, there were many obstacles to the achievement of that objective: the persistence of the economic trends deriving from the colonial period, the lack of adequate agricultural and industrial equipment, the continuing state of disguised war on the continent, an international climate in which private interest groups and even certain States hindered the efforts of African countries to organize to achieve their collective objectives, and the lack of skilled manpower. His country placed great hopes in the Conference on Technical Co-operation among Developing Countries to be held in Argentina in 1978. He commended the Preparatory Committee on its optimistic approach and pointed out that his country's Commission for Science and Technology had been in operation for several months.

19. Referring to Economic and Social Council decision 162 (LXI), he said that his delegation attached particular importance to a unified approach to development analysis and planning. The Centre for Development Planning, Projections and Policies of the Department of Economic and Social Affairs played a vital role in that field. The international community should take full account of the views expressed by the developing countries in the Economic and Social Council regarding the consideration of projects, plans and national priorities in the application of that unified approach. The Centre should provide qualified staff for the regional commissions in order to help Governments to organize training courses on the main aspects of integrated development planning within the limits of the funds available under the regular budget. Both national and regional courses should be held, and special attention should be given to the needs of the least developed, land-locked, partially land-locked and island developing countries.

20. Finally, reiterating the views expressed by the head of his delegation in the General Assembly, he said that in order to enhance the effectiveness of the United Nations it was essential to define clearly and unequivocally the objectives to be achieved in establishing the new international economic order, to reach agreement on the measures required to achieve those objectives and to act in a spirit of realism and sincerity at all times.

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21. Mr. ULRICHSEN (Denmark) said that the establishment of a new international economic order constituted the framework for deliberations in the Second Committee. Although certain differences still existed as to the precise significance of that concept, it had gained wide acceptance. His Government was prepared to work towards the establishment of a new international economic order, as it had demonstrated at the sixth and seventh special sessions of the General Assembly and at many United Nations conferences on economic and social questions.

22. While his Government fully understood the impatience of the developing countries at what they regarded as a lack of real progress, it was undeniable that a start had been made towards solving the difficult and complex problem of reshaping the international economic system. However, the establishment of a new international economic order should be seen as an ongoing process which could not bring an immediate solution to all burning issues. The present economic recession in the industrialized countries unquestionably tended to slow negotiations in the different United Nations forums. In order to improve the present economic outlook, it was essential to achieve more rapid growth in countries with strong external positions. Although some measures in that direction had already been taken, they were far from sufficient. However, while noting the situation in the industrialized world, he did not wish to minimize the plight of the great majority of the population in the developing countries. Indeed, one of the most crucial tasks of the General Assembly at its thirty-second session was to ensure that the industrialized countries did not concentrate their efforts on solving their own problems.

23. His delegation hoped that at its present session the General Assembly would give priority to the long-term follow-up activities to the Conference on International Economic Co-operation. It was essential to translate the positive achievements of the Conference into concrete measures and to continue negotiations within the United Nations on issues on which agreement had not been reached. Foremost among those issues was the implementation of the Integrated Programme for Commodities, including the Common Fund. To complement the benefits which the Common Fund would provide, his country hoped that the work being undertaken by IMF and other international bodies regarding stabilization of the export earnings of the developing countries would lead to significant improvements. Giving new impetus to the negotiations to be held in UNCTAD concerning the problems of the growing indebtedness of the developing countries would also be a positive step. Finally, his country felt that co-operation in the energy field would help both the oil-producing and the oil-consuming countries to improve their understanding of the world energy supply and demand situation and of their respective responsibilities in the transition from oil to more plentiful and renewable energy resources.

24. In view of the fact that substantive negotiations on the Integrated Programme for Commodities and the debt question would take place outside the framework of the General Assembly, it would be more fruitful for the Committee to give priority to the issues of development assistance, basic human needs and negotiations concerning a new international development strategy. With regard to the first of those issues, one of the most positive achievements of the CIEC had been the commitment of the industrialized countries to increase substantially their volume of aid which would bring it closer to the target of 0.7 per cent of the GNP for official development assistance. The flow of aid must be increased and, at the same time, a fairer and more equitable sharing of aid efforts must be achieved.

(Mr. Ulrichsen, Denmark)

That implied the participation of all industrialized countries, both Eastern and Western, since it was justifiable to require that countries with strong economies or balance-of-payments surpluses should account for a greater share of the aid responsibility. In that connexion the steps already taken by the OPEC surplus countries with regard to development aid were to be appreciated.

25. Another aspect of the question of the transfer of concessional resources was the need to channel a higher percentage of those resources into multinational aid organizations - the United Nations Development Programme, the International Development Association and the International Fund for Agricultural Development. Roughly half of Denmark's development assistance was channelled through such organizations.

26. With regard to the funds available to multilateral development organizations, planning presented a serious problem, especially for UNDP. Its present planning system was based on five-year commitments which, paradoxically, were underpinned only by annual pledges of contributions from donor countries. The recent financial crisis of UNDP had been due in part to the lack of a long-term financial basis. To prevent that situation from arising again, and to give UNDP a central role in development efforts within the United Nations system, it must be placed on a more stable financial basis.

27. He had dwelt on the transfer of concessional resources mainly out of consideration for the developing countries which were pursuing determined policies of redistribution of wealth and productive assets. Such countries had limited resources and their development goals were frequently hampered by factors beyond their control. His delegation therefore considered that they should be able to rely on the active support of the international community.

28. The last decade had seen a marked change in the approach to development since it had been realized that neither economic growth nor changes in the world economic order would, in themselves, benefit the poor in the developing countries. Only by reaching the most deprived segments of the population and by improving their living conditions, through the implementation of plans and projects designed specifically to meet their needs, would it be possible to set in motion a meaningful development process. At the same time, the full integration of women in the development process was not only a step forward in the struggle for equality of 50 per cent of the population but also a prerequisite for the successful implementation of any development strategy. Such considerations showed the need for a shift in concessional aid towards the poorest countries and towards meeting the basic needs of the poorest people in those countries. Denmark had already adopted such a policy in its bilateral assistance, in which emphasis was laid on projects for education, clean water, health care, and adequate nutrition and shelter.

29. Although the strategy of basic human needs had been unanimously endorsed at the *World Conference on Employment* held the previous year, some developing countries had voiced certain doubts about the feasibility of the concept. It was to be hoped that at the thirty-second session of the General Assembly those differences would be narrowed.

30. He noted that the spokesman of the Group of 77, Mr. Akhund, had stated that there was no conflict between the basic need approach and the concept of the new



(Mr. Ulrichsen, Denmark)

international economic order. He also noted the importance of formulating a new international development strategy which should not be a new general declaration but a practical tool for future development co-operation. In conclusion, he recalled from the speech made by the Danish Prime Minister at the opening of Parliament a few days earlier, in which he said that the Danish Government placed emphasis on a continued dialogue with the developing countries on a new international economic order.

31. Miss MARA (Fiji) wished to reaffirm her country's commitment to the new international economic order, and noted that, as a result of the difficulties of recent years, the gap between rich and poor countries remained as wide as ever.

32. The problem had been brought to a head in 1973 as a result of shifts in the prices of commodities, the fourfold increase in the price of petroleum, world-wide inflation and massive unemployment - a situation that had led to a call for a new international economic order more responsive to realities. However, the situation had not yet improved, and was even more gloomy in the countries most seriously affected, such as island developing countries.

33. The situation of her country was particularly serious because of its limited market, geographical isolation and complete dependence on foreign shipping, all of which obstacles had hampered its economic development. She hoped that the international community, as agreed at the last session of the General Assembly, would do more to favour such countries, within the framework of their development plans and priorities.

34. She wished to record her Government's appreciation of UNCTAD's activities in the area of shipping and ports, and noted that CIEC had called for the speedy implementation of the Integrated Programme for Commodities, including the Common Fund. The north-south dialogue should be pursued actively in United Nations fora. Although no agreement had been reached on various important issues, the fact that the industrialized countries had agreed to a \$1 billion special action programme to assist the poorest developing countries gave some cause for satisfaction.

35. What was of paramount importance was not so much the prices paid for the exports of developing countries but the relationship between those prices and the prices of manufactured goods imported from the developed countries. Horizontal and vertical diversification, access of products to external markets and the transfer of appropriate technology were also important issues. It was to be hoped that the Conference on Science and Technology, which was to be held the following year, would consider the last-mentioned issue with a view to strengthening the technological capability of the developing countries.

36. Fiji, which had focused some of its development efforts on industrialization and tourism, had received positive help from the Generalized System of Preferences of developed countries, and it considered that the coverage needed to be extended.

37. She noted the participation of Fiji's developed neighbours (Australia and New Zealand) in regional projects and expressed appreciation of the assistance provided by UNDP in the South Pacific, and particularly the establishment of a regional office at Suva (Fiji).

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(Miss Mara, Fiji)

38. Assistance should be given to those in greatest need. Her delegation reaffirmed its belief that the greatest attention should be given to the less developed, land-locked and island developing countries, and hoped that at the current session they would be assigned the priority they needed and deserved.

39. Mr. XILVA (Spain), supported by Mr. BIGGS (Chile), suggested that, in view of the importance of the statement made by the Peruvian representative at the morning meeting, it should be reproduced verbatim in the summary record.

40. Mr. CORDOVEZ (Secretary of the Committee) explained the financial implications of the Spanish representative's suggestion.

41. Mr. MARSHALL (United Kingdom) said that if statements had not previously been reproduced verbatim, it might not be advisable to set a precedent in the matter.

42. Mr. CORDOVEZ (Secretary of the Committee) said that although there had been instances of verbatim coverage, there was a General Assembly decision recommending that the practice should be kept to a minimum.

43. Mr. MAKEYEV (Union of Soviet Socialist Republics) said that although he considered the statement by the Peruvian representative very interesting, he did not feel that it should be reproduced in extenso, because of the financial implications. He suggested that the Peruvian delegation should be requested to translate the speech into English and have it circulated to the members of the Committee.

44. Mr. MWANGAGUHUNGA (Uganda) said that he appreciated the importance of the statement in question and thought that an English translation would not suffice to meet the needs of all members of the Committee. The statement should be reproduced in all the official languages.

45. Mr. MARSHALL (United Kingdom), supported by Mr. BREITENSTEIN (Finland), suggested that the statement should not be reproduced verbatim but should be given somewhat fuller coverage than was customary in summary records, so as to reflect its importance.

46. Mr. QADRUD-DIN (Pakistan) felt that the modest financial implications of the Spanish representative's suggestion should not cause the Committee to waste time, and suggested that the statement should be reproduced in great detail, that is, in extenso.

47. The CHAIRMAN said that, if there were no objections, he would take it that the Committee wished the Peruvian representative's statement to be reproduced in detail, and thus given fuller coverage than was customary in summary records.

48. It was so decided.

49. Mr. MAKEYEV (Union of Soviet Socialist Republics) said that the OPI press releases did not provide even coverage of the statements made by different speakers. The length of the summary bore no relation to the statement or to its importance.

The meeting rose at 4.50 p.m.