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New York

SUMMARY RECORD OF THE 12th MEETING

Chairman: Mr. GORITZA (Romania)

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The meeting was called to order at 3.20 p.m.

GENERAL DEBATE (continued)

1. Mr. McGOVERN (United States of America) noted that, over its history, the United Nations had been regarded primarily as a political organ, as indeed it still was in great measure. The United Nations was deeply engaged in the historic process of decolonization, aimed at ensuring the enjoyment of basic rights by all the peoples of the world. But that political process must be joined with a more balanced and equitable international economic order. Patterns of dependence must give way to real interdependence, consistent with the needs and interests of all countries. That had been the theme of the seventh special session of the General Assembly, the Declaration of Abidjan, the UNCTAD meetings, the GATT multilateral trade negotiations, the Paris Conference on International Economic Co-operation, and other meetings.
2. It would be a delusion to ignore the differences which existed on some issues, but it was more important to stress the common goals. For example, the United States could subscribe to the statement of principle made at the sixth special session of the General Assembly to the effect that the interests of the developed countries and those of the developing countries could no longer be isolated from each other and that there was a close relationship between the prosperity of the developed countries and the development of the developing countries. The objections of the United States to certain concepts and measures in the Declaration and the Programme of Action on the Establishment of a New International Economic Order were well known, but his delegation was firmly convinced that the interests of all - developing and developed countries alike - would be served by building on areas of agreement and avoiding confrontation or ideological disputes.
3. That process of reconciling interests had begun at the seventh special session of the General Assembly, and he had been impressed not only by the scope and the seriousness of resolution 3362 (S-VII) but also by the activities undertaken since then as a follow-up to that resolution. Nevertheless, much remained to be done. There was wide recognition of the fact that development was first and foremost a responsibility of the developing countries themselves, and the United States fully endorsed the concept of self-reliance; it therefore welcomed the goal of enhanced co-operation among developing countries, provided that it was approached in a manner consistent with the need for broad international co-operation.
4. As had been stated in the General Assembly by the United States Secretary of State, the industrial democracies had not always been willing to match rhetoric with real resources. His country no longer claimed that its economic system had all the answers to development problems, and it recognized the value of contributions made by States with different social systems; but it did not agree with those who suggested that the substantial efforts which the United States had made on behalf of development and economic co-operation were of limited or little use.
5. Referring to the events of the past year, he recalled that agreement had been reached at the seventh special session of the General Assembly on the need to restructure the economic and social sectors of the United Nations system. His

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delegation had participated actively in the deliberations of the Ad Hoc Committee established for that purpose and there were grounds for hoping that the Committee would be able to develop action-oriented proposals.

6. With regard to world trade, on 1 January 1976 the United States had put into effect a system of generalized preferences, which covered over 2,700 tariff items from nearly 100 countries. He urged the developing countries concerned to study carefully the prospects offered by that system for increased exports of industrial products. Also of great importance were the multilateral trade negotiations currently being conducted at Geneva, one of whose major objectives was to secure additional benefits for the international trade of developing countries through reductions in both tariff and non-tariff barriers. He also recalled that, at the fourth session of UNCTAD, it had been agreed to examine case by case the problems of 18 key commodities; the United States would participate fully in that effort, and he believed that the preparatory meetings could be most helpful if they focused on the substantive and practical issues.

7. Agreement had been reached in the International Monetary Fund on an important extension of compensatory financing facilities to assist in stabilizing the incomes of producers of primary commodities. In the same context, IMF had established a Trust Fund, financed through sales of IMF gold, which would permit concessional balance-of-payments assistance to the poorest countries.

8. The transfer of real resources was a matter not of expressions of solidarity and rhetoric, but of concrete contributions. In September 1976, the United States had adopted foreign assistance legislation for 1977 which provided for funds totalling \$4.1 billion. In the United States bilateral aid programme, the total amount of money provided for the sectors of population, health, food, nutrition and education had increased. In addition, contributions would be made to UNDP, UNICEF and UNEP, and the United States would be making its first contribution to the United Nations Revolving Fund for Natural Resources Exploration. His country would provide \$375 million for the soft-loan facilities of the International Development Association, would participate in the fifth replenishment of IDA and planned to make contributions to the Asian and Inter-American Development Banks and to the African Development Fund.

9. In addition to its regular assistance activities in Africa, the United States had supported those States which were enforcing the economic sanctions against Rhodesia. For example, it had concluded agreements with Mozambique and Zambia, among other countries, and he expressed the hope that the negotiations to be held with regard to Zimbabwe and Namibia would achieve positive results, so that their peoples might benefit from international trade and economic assistance.

10. In order to permit all those sources of assistance to be used in the most effective way possible, the United States Congress intended to pass legislation which would permit the United States to join with other members of OECD in untying much of the assistance to developing countries, so that those countries could make purchases in the most advantageous markets. Procurement of goods and services in developing countries was already authorized under United States economic assistance legislation.

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11. The Paris Conference on International Economic Co-operation had entered an active phase and, in order to help to solve the problems of countries facing severe debt burdens, the United States and the European Economic Community had proposed the establishment of an international resources bank. That proposal would also be studied by a new working group on official capital flows established by the Interim Committee of the International Monetary Fund. The proposed bank would be able to make an important contribution to the development of the mineral resources needed for development. The United States was also urging countries to heed the recommendation adopted by the General Assembly at its seventh special session for a replenishment of the capital of the International Finance Corporation, which could be another means of helping to channel increased development capital to countries where it was needed. It had been estimated that, by the end of the Decade, the economic growth of the developing countries would require the transfer of some \$40 billion a year from developed to developing countries. Official development assistance could not be expected to meet that need. The development process therefore needed private investments, which were also a powerful instrument for transferring technology, modern methods of organization, knowledge of markets and other advantages. Of course, countries which imported capital were entitled to insist on terms which were in conformity with their economic goals; what was most important, however, was the recognition by all parties that the only sound basis for investment was mutual confidence.

12. If trade and investment were to make a maximum contribution to development, illegal or corrupt practices should be eliminated. In that connexion, the United States Congress had conducted investigations of such practices, and at the summer session of the Economic and Social Council an important resolution had been adopted establishing an intergovernmental working group to study corrupt practices in international economic transactions and to work out the scope and content of an international agreement to prevent and eliminate them. It was to be hoped that the group would be organized promptly, so that it would be able to start work during the current year.

13. The world food problem was of deep concern to him. The United States Congress had given priority to the countries most seriously affected by food shortages in determining assistance programmes. At least 75 per cent of food sold under Title I of Public Law 480 was to be provided to countries with an average per capita GNP of \$300 or less. The response of the international community to the establishment of the new International Fund for Agricultural Development, the purpose of which was to finance programmes and projects which supported increased and more efficient agricultural production, was especially encouraging, and the United States had pledged a contribution of \$200 million to the initial budget of the Fund. As matters stood, however, world food and agricultural outlook was not promising. Little had been done to ensure the availability of adequate supplies and easy access to them in the event of natural disasters. In that connexion, his delegation had proposed an international system of grain reserves with a view to improving world food security.

14. Moreover, the grave problem of malnutrition still remained. Governments and

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international organizations had been slow to adopt measures to reduce losses and to gain maximum benefit from existing supplies. The United States was determined to continue its efforts to rectify the world food situation. Owing, in part, to the 6 million tons of food grains provided by the United States, the target established by the seventh special session of the General Assembly appeared to be attainable. Encouraging developments had also occurred in connexion with the World Food Programme, to which the United States had substantially increased its contribution.

15. Another area of great importance was that of science and technology. The United States believed that it had a particularly valuable contribution to make to the transfer of technology to developing countries. The United Nations had begun to find means to facilitate such transfers of technology, and at the fourth session of UNCTAD three resolutions on that subject had been approved with a view to strengthening the technological capacity of the developing countries.

16. His delegation attached great importance to the interagency task force established for that purpose and to the Secretary-General's report on the establishment of a network for the exchange of technological information, and it was especially pleased that the suggestions made by the task force included the proposal submitted by the United States at the seventh special session of the General Assembly that an international centre for the exchange of technological information should be established through which all nations could make use of existing national and international capabilities for the transfer of technology, including both public and private sources of information.

17. Finally, his delegation supported the proposal for a United Nations conference on science and technology for development. He pointed out that the United States Government had invited the conference to meet in the United States in 1979 and urged all Governments to give favourable consideration to that invitation because, in his view, to hold the conference in the United States of America was the best means of assuring a maximum contribution from the United States scientific community and to do so would at the same time provide first-hand information on the scientific and technical needs of developing countries.

18. In conclusion, he said that the Committee was seeking to improve economic relations among all nations and, above all, to find new means of relating world patterns of assistance, trade and investment more closely to the needs of the developing countries. The constant object of United Nations efforts was to help people, and in the end the success or failure of the thirty-first session of the General Assembly would be judged by farmers and workers, by men and women who hoped that the United Nations would take practical steps to fulfil their awakened expectations.

19. Mr. KUDRYAVTSEV (Byelorussian Soviet Socialist Republic) said that the essential task of the Second Committee was actively to promote international economic co-operation; its success in that task depended on the achievement of the basic purposes of the United Nations set out in Article 1 of the Charter, especially that of maintaining international peace and security. That had been

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particularly stressed by the United Nations at the sixth and seventh sessions of the General Assembly, in the Charter of Economic Rights and Duties of States and in Economic and Social Council resolution 2009 (LXI), known as the Declaration of Abidjan. Only when peace and security prevailed were development, including economic development, and full economic co-operation possible. Political will, in turn, was a prerequisite for attaining the goals of disarmament and strengthening détente, a fact that was especially evident in the Second Committee. The socialist countries' political approach was based on the need for the development of broad economic relations based on equality and mutual benefit. Those principles were clearly expressed in the recent statement by the Soviet Government on the restructuring of international economic relations (A/C.2/31/2). His delegation was convinced that the implementation of the proposals contained in that statement would be an important contribution to the struggle for truly democratic principles in international economic relations. In the current international situation the socialist States were making a great contribution to solving fundamental problems on the basis of peace, security and the consolidation of détente. The statement made by the Minister for Foreign Affairs of the Soviet Union, Mr. Gromyko, at the current session of the General Assembly, the Soviet Union memorandum on halting the arms race and achieving disarmament and its proposal for an international treaty on refraining from the use of force in international relations were all of great importance for strengthening peace, stopping the arms race and the exclusion of the use of force in relations among States. The application of those proposals would have significant consequences on consolidating the foundations of development and economic co-operation. The programme for continuing the struggle for peace and international co-operation, freedom and the independence of peoples approved by the twenty-fifth Congress of the Communist Party of the Soviet Union testified to the hopes of the Party and of the Soviet peoples for peace and stable, irreversible détente. Given those conditions, it would be easier to make increased use of the advantages of co-operation for mutual benefit.

20. He drew attention to the favourable effects of the Conference on Security in Europe on international détente and to the importance of exercising political will to that end, as had been done in the Final Act at Helsinki. The Soviet Union had proposed the holding of European conferences on the environment, transport and energy, which would promote inter-European and international co-operation at the required level.

21. On the subject of resources for development, he said that recent data indicated that current military expenditure amounted to \$3,000 billion a year and was growing constantly, whereas general and complete disarmament would release enormous resources - as much as \$3 billion in the coming 10 years - which could be devoted to development. His delegation agreed with the Secretary-General's statement in the introduction to his annual report that the problem of disarmament in all its aspects remained of the highest and most urgent importance. A few years earlier the USSR had proposed the reduction of the military budgets of the States permanent members of the Security Council by 10 per cent, but that reduction, although approved by the General Assembly, had not been put into effect because of the

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policies of States which continued to increase their military budgets. The USSR's position in the matter was flexible with regard to the quantum of the reduction. The economic crisis was still threatening the capitalist countries, with its consequences of unemployment, rising prices and inflation, as was pointed out in the World Economic Survey. In those countries the masses continued to become more impoverished for the benefit of the monopolies. Within a capitalist system States used barriers and discrimination in international trade as an instrument for exporting unemployment and inflation to the developing countries. Experience showed that so-called "assistance" was an instrument for reinforcing inequality. It was used as a means of confining the developing countries to the role of producers of raw materials and of burdening them with debt, while support for private capital, interested only in profits and exploitation, inevitably had unfavourable consequences. As was pointed out in the Secretary-General's report on ways and means of accelerating the transfer of real resources to developing countries on a predictable, assured and continuous basis (A/31/186), those consequences were especially serious for the developing countries, which were increasingly resorting to private markets after many years of increasing dependence on commercial loans and were thus increasing their dependence on access to the private capital market. The developing countries were suffering enormous losses because of the arbitrary actions of transnational corporations, which not only plundered their resources but also violated their sovereignty and their legislation and ignored their interests by, among other things, promoting subversion. Those developing countries that had adopted a progressive policy were strengthening their public sector on the basis of planning, subjecting private to national interests and increasing the active participation of the working masses in economic life. Such plans accelerated development and strengthened political independence and sovereignty over natural resources and other economic activities. They also facilitated the development of long-term plans and projects. Planned co-ordination of investment enabled better use to be made of resources and speeded up economic progress. The socialist countries were the friends and natural allies of the development countries in their struggle against imperialist countries and monopolies and their drive for a new international economic order. At the fifth conference of non-aligned countries at Colombo, Mr. Brezhnev, Secretary of the Central Committee of the Communist Party of the Soviet Union, had stated that support for peoples struggling for national and social liberation, to strengthen their independence and to protect their national sovereignty, and for their economic and social programmes was one of the fundamental aims of Soviet policy.

22. Emphasis should be placed on the importance of the changes on the international scene which had benefited the forces of peace and progress. The first successes achieved by the developing countries in regard to the restoration of sovereignty over natural resources and the right to freely choose the road to development had to a large extent been determined by those changes, which had prevented capitalist circles from using force to gain their ends. The opposition of the socialist countries to colonialism, neo-colonialism, racism, apartheid and imperialism had played a fundamental role in those changes. Capitalist circles opposed collaboration between the developing countries and the socialist countries by various means; for instance, they advocated the division of countries into rich and poor, seeking thus to shift the responsibility for the consequences of

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colonialism and neo-colonialism from themselves to the socialist countries. The expanding economic relations between socialist and developing countries were turning into steady co-operation based on respect for sovereignty, non-interference in internal affairs, mutual advantage, the promotion of structural changes and the strengthening of political and economic independence. The achievements of CMEA, as described to the General Assembly at its thirty-first session, bore witness to the steady progress of the socialist economies, which were not suffering from recession, unemployment or inflation.

23. In the Byelorussian SSR considerable progress had been made in 1975, the last year of the ninth five-year plan, and an over-all increase of 47 per cent had been registered in the national income during that year.

24. Byelorussia was now, in economic terms, three times what it had been in 1965. Industrial productivity, powered by the introduction of new technologies, had made it possible for industrial output to increase by 64 per cent during the ninth five-year plan; considerable progress had also been made in regard to agricultural output. At the present stage of economic development, the country could devote more resources to satisfying the material and cultural needs of its people; that had been the main objective of the ninth plan and continued to be the long-term goal of the Byelorussian economy. During the implementation of the plan, the per capita income of the population had increased 3.1 times and considerable attention had been given to science, culture and education, thus enabling 70 per cent of the workers to receive secondary and higher education. One fifth of the population had received new housing, and numerous schools, medical facilities and the like had been built. All that constituted the basis and the starting-point for the building of a new society. The next plan provided for a 40 per cent increase in the national product. Finally, he stressed the responsibility of the Second Committee in the task of strengthening the conditions for the restructuring of economic relations on a basis of equality among all States.

25. Mr. CHELLE (Uruguay) said that at the preceding session his delegation had made a number of comments on the basis of the economic situation at that time and had sought to forecast, in the light of the trends then being observed, what would be the outcome if proper corrective measures were not taken. It was clear from even the most cursory analysis that those trends had persisted and been accentuated and that they were affecting the developing countries, including medium-income countries which, by means of an internal development effort and at the cost of heavy indebtedness hopefully incurred, had taken steps to achieve modest progress in their national plans. The crisis which had been triggered three years earlier continued to affect the oil-importing developing countries because of the inadequacy of the measures taken to overcome it and the fact that they had been doubly affected by the crisis, which had increased their import costs and decreased their export earnings. In addition, the participation of those countries in the recycling of the larger income from oil had been limited, while the measures which the industrialized countries had taken to protect themselves had hampered commodity trade. Medium-income developing countries, such as Uruguay, had been unable to attract the attention of the international community to the critical situation stemming from their intermediate position, and neither the United Nations emergency

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plans nor the "third window" of the World Bank had served them properly. It seemed as though only the situation of a dying patient was considered serious, and not the situation of one who saw his life coming to a halt in the middle of the evolutionary process. The various important international economic meetings had not succeeded in bringing about global reform, but it must be acknowledged that tremendous efforts had been made, particularly by the developing countries, to seek the beginnings of a solution to the countless problems which hampered the interrelationship. One example was the integrated programme for commodities, including the common fund for buffer stocks and the International Fund for Agricultural Development, which must be made into useful instruments for achieving the desired end.

26. The present picture showed the absence of concrete solutions for medium-income non-oil-exporting developing countries. Uruguay had made up for the unresponsiveness of the international community as a whole by an active policy of establishing ties at the regional level, opening up its economy, liberalizing its external trade, diversifying its exports, seeking new markets and making a realistic adjustment of its currency rate.

27. Uruguay intended to collaborate constructively in those forums where negotiation and reconciliation of positions formed the framework for the substantive work. It would seek to ensure that the existing mechanisms gave developing economies differentiated treatment that took into account the situation of intermediate-level economies. Reciprocity of advantages would thus be supplemented by the concept of effectiveness, in the sense of really tailoring those advantages to the particular conditions of each individual in the economic relationship.

28. There was need for a progressive association among the developing countries and between them and the developed countries, built around constructive solutions, for the difference in degrees of development could be attenuated only by increasingly integrating the weakest economies in the most dynamic economic activities. Accordingly, he supported efforts to achieve the opening up of markets, to correct the protectionist policies of the developed countries, and to expand preferences for the developing countries by reducing tariff and non-tariff barriers.

29. The interdependence of countries necessitated global solutions. At the same time, however, greater attention must be given to more specific approaches that both resolved pressing questions and represented progress towards the construction of global answers. One such approach was to stimulate and promote regional agreements that would concentrate efforts on specific priority aspects. The recent meeting in Mexico City on economic co-operation among developing countries was a good example.

30. Indeed, the Latin American area had achieved an intermediate level of development and was thus exceptionally well placed to make progress towards building more orderly mutual relations, and it could contribute to a better world-wide understanding between the various developed and developing regions. However, because of the fact that it consisted mostly of medium-income countries, it was being

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increasingly excluded from co-operation for development. Although one appreciated the needs of the poorest countries, it was hard to accept that efforts to assist those countries should restrict co-operation directed to the middle-level countries and that per capita income should be the main criterion for allocating multilateral financial resources. An over-all assessment of the problem must be made fairly and with the necessary solidarity, in order to find ways of promoting and diversifying exports from those countries and facilitating their access to the capital and technology markets.

31. At the thirtieth session of the General Assembly he had put forward an idea for a partial solution, which he now repeated; it was that a fourth operational window should be opened in international or regional financing organizations for countries whose per capita income had attained a certain level.

32. One priority question which was particularly serious and important and was closely related to the population problem was that of agriculture and food production. It should be tackled not only from an economic angle but also from a political and moral angle, for it was inadmissible to have, on the one hand, countries with food surpluses but no markets for them and, on the other, countries lacking the food they needed for their subsistence. Although the numerous initiatives taken by international organizations on some aspects of the production and marketing of agricultural products and food-stuffs were aimed in the right direction, they were inadequate. The coverage of existing funds should be extended and their size substantially increased, and mechanisms and programmes should be co-ordinated and the manner of their operation worked out for a broad range of products. Those elements could lead to the constitution of a veritable food bank, an idea which his delegation had advanced and promoted in various forums.

33. The situation was aggravated further by the distortion caused by the protectionist agricultural policy of the developed countries, whose trade restrictions, subsidies and dumping were destroying market rules and discouraging agricultural production in the developing countries. In that vital area, it was not possible to tolerate unilateral policies which introduced such profound distortions with vast economic as well as human consequences.

34. Uruguay's position on the energy problem had been stated on previous occasions in the Committee and in other forums. Uruguay was a non-oil-producing developing country which since 1973 had had to absorb higher fuel prices with resulting national indebtedness and disruption of its productive structures. The international community must seek stable, lasting solutions to a problem which was no longer a threat of limited duration but would become a permanent factor affecting development. Furthermore, all matters pertaining to trade, raw materials, energy, development and related financial questions required assessments and decisions in which all parts of the international community must participate so as to ensure that all the interests involved were taken into account. Uruguay was already committed to that effort in the hope of building a better world.

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35. Mr. MBODJ (Senegal) said that, in his opinion, the only explanation for the astonishing fact that world economic interdependence always redounded to the disadvantage of the developing countries was that little progress had been made towards the objective set by the international community in 1960, which called for a net flow of capital from public and private sources in the developed countries to be transferred to the developing countries in order to close the gap between them. The world economic crisis of recent years had, by causing further deterioration in the real terms of trade of the developing countries, eliminated any possibility of economic and social progress in those countries and compromised the objectives of the International Development Strategy for the Second Development Decade. According to the World Economic Survey, 1975 (E/5790/Add.1), the combined economic growth rate of the developing countries had been 5.5 per cent annually during the period 1971-1975, falling short of the 6 per cent target set in the Strategy for the Second Decade. Furthermore, that rate had declined markedly since 1973, while per capita income had remained constant and had even fallen in a number of developing countries. For that reason, the international community was greatly concerned about the growing economic disparity between countries and was attempting to find a just and equitable solution to that tragic situation, as could be seen from the important decisions adopted by the United Nations General Assembly at the sixth and seventh special sessions in the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States. There was, however, still much to be done in that area, and he believed that the International Development Strategy for the Second Development Decade should be revised in the light of the Programme of Action on the Establishment of a New International Economic Order for the simple reason that its objectives were far from being met. If further efforts were not made to approach the target of 0.7 per cent, many developing countries would be forced to limit severely their expenditure on imports and their growth. It was therefore urgent to find ways of accelerating the transfer of real resources to the developing countries.

36. The meetings for international co-operation organized in recent years gave grounds for hope. At the fourth session of UNCTAD at Nairobi, the Paris Conference on International Economic Co-operation and the Dakar Conference of Ministers for Foreign Affairs, tireless efforts had been made to seek the most effective means of establishing a new and more just world order. His delegation reaffirmed that concerted efforts must be made to comply with the decisions of those historic meetings on behalf of the developing countries with a view to promoting and diversifying their trade and increasing their export earnings so that the adverse effects of inflation could be offset and real income maintained. He regretted that a start had not been made in solving the urgent problem of the developing countries' indebtedness and dealing with the issue of international monetary reform even though the solidarity demonstrated by the countries of the third world at their meetings at Manila and Nairobi indicated the possibility of achieving promising results.

37. He wished to stress once again the importance of establishing a more equitable relationship at the international level between the prices of raw materials from developing countries and those of manufactured goods from industrialized countries.

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An improvement in market structures could be brought about if some of the decisions of the fourth session of UNCTAD at Nairobi were implemented, e.g. the establishment of international buffer stocks and the creation of international machinery for their proper financing. His delegation believed that the industrialized countries must pay more attention to those decisions, which had quite properly been incorporated into the Action Programme for Economic Co-operation adopted at the Colombo summit, for their application was a prerequisite for the establishment of a new international economic order. Similarly, there must be honest co-operation between the industrialized and the developing countries in strengthening the latter's scientific and technical infrastructure so as to bring about development and industrial co-operation in accordance with the decisions contained in the Lima Declaration and Plan of Action.

38. He believed that the solution to the world food problem lay primarily in bringing about a rapid increase in food production in the developing countries; to that end, it was essential that the developed countries, as well as those developing countries which were in a position to do so, should substantially increase the volume of their assistance to countries in which agriculture played a decisive role. It was disappointing that agricultural production in the developing countries had increased by only 2 per cent annually during the period 1971-1975 while the target set in the International Development Strategy for the Second Development Decade was 4 per cent; there were, however, reasons to hope for progress in that regard.

39. The restructuring of international economic relations for the establishment of a new international economic order required that the entire international community share the same vision of the world. As had been stated recently by the President of the Republic of Senegal, that was a difficult task, for it would require a great deal of political goodwill and courage on the part of the peoples and Governments of the industrialized countries to admit that the old order based on a relationship of domination must give way to a new humanism. It was a difficult test which had to be faced, because the survival of the organized world would depend on it.

40. Mr. VAN LAETHEM (Under-Secretary-General for Economic and Social Affairs) said that he wished to offer some clarification regarding the press conference in which he had participated the day before together with Mr. Leontief. He had in mind two points relating to the study on the future of the world economy which he had mentioned in his initial statement to the Committee. The first referred to the publication of the document; a summary had been distributed to delegations that same day, but the complete study would not be available until the end of November and it would be issued as a United Nations publication. The second point concerned the importance of the model which had been introduced into the computer. Actually, that model, which could already be used in the Brandeis University computers and could be used in the United Nations computers beginning in February or March 1977, was at least as important as the study that had been made and would no doubt be much more important in the future. It was a tool of which increasing use could gradually be made, if desired, by such bodies as the Second Committee, or by certain Governments, for the purpose of analysing specific global, regional or sectoral problems. He emphasized that point because certain press comments had tended to

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present the study as a finished and unique product when in fact it was no more than an example of what could be obtained with the tool that had been created, synthesizing the greatest possible volume of data that was available in the Organization and other data made available through the co-operation of certain public or private institutions outside the United Nations.

41. Mr. WOLTE (Austria) said that a decisive stage had been reached in the work for the establishment of a new international economic order, that of translating into specific policy measures the guidelines laid down in the principles of the two Development Decades and the resolutions of the sixth and seventh special sessions of the General Assembly as well as the declarations and plans of action that had emanated from the world conferences on the human environment, population, food, industrialization and human settlements - plans which had been given additional impetus by the fifth summit of non-aligned countries at Colombo. Although his country did not participate in the Paris Conference, it hoped that concrete progress could be achieved on the most urgent issues, above all the international debt problem, in order to give new impetus to the work of other international bodies.

42. The statement by the President of the World Bank at the Manila meeting had outlined in a most impressive and dramatic way the diverse and disturbing aspects of the current situation, particularly the plight of the poorest among the developing countries. Most of the statements made previously in the Second Committee had echoed that same theme. Important concrete decisions had to be taken in the near future in order to carry out to the greatest possible extent the decisions contained in all the documents to which he had referred. His Government subscribed, in particular, to the recommendation of the World Employment Conference on the priority to be accorded to satisfying the basic needs of the people of the developing countries.

43. The United Nations system had been devised with a view to resolving the problems of economic and social development as a corollary to its primary task of maintaining international peace and security. Although the services it could render were limited in relation to the enormous scope of those problems, full use should be made of the mechanisms available, including UNDP, as the central body for development efforts, and UNIDO, which had progressed in its internal restructuring process. The latter organization should be equipped to make its own essential contribution to the attainment of the target of a 25 per cent share for the developing countries in world industrial output, in accordance with the Lima Declaration and Plan of Action. The Second Committee should also discuss the possibility of establishing an Industrial Technological Information Bank and the Industrial Development Fund, which were important elements for the fulfilment of the mandate given UNIDO at Lima and subsequently at the seventh special session. The progress report on a joint study recommended in resolution 3362 (S-VII) would provide a further opportunity to review the methods and mechanisms for diversified financial and technical co-operation.

44. In view of the broad agreement on the key role of science and technology in shaping a new economic order, the sensitive and many-faceted issue of the transfer of technology had to be tackled. His Government, through the Austrian Patent Office,

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(Mr. Wolte, Austria)

had initiated a number of activities in that field. One was making available, free of charge, 100 studies on the state of technology in relation to a number of specific industrial problems. Another was concerned with training courses for experts from developing countries on the use of patents as a source of technological information. Mention should also be made of the International Patent Documentation Centre in Vienna, which had assumed the task of ordering and classifying patents, and offered a wide range of services in that field of technical know-how.

45. At the third session of the Committee on Science and Technology for Development, Austria had submitted a draft resolution calling for closer international co-operation in the field of research and development of non-conventional energy sources. As a follow-up to that proposal, which had been adopted by the Economic and Social Council at its sixty-first session, Austria was now carrying out a feasibility study on the construction of a small solar power plant. The know-how acquired from that project would be made available to the developing countries.

46. In that connexion, he recalled the Austrian delegation's proposal that the United Nations Conference on Science and Technology for Development should be held at Vienna in 1979. The conference facilities and services available in Vienna and the presence of IAEA and UNIDO provided an appropriate setting for the work of the Conference. Moreover, a venture of such magnitude required a co-operative effort by both industrialized and developing countries, and the holding of the conference in Austria, a modern industrialized country open to international co-operation and exchange with developing countries, would best give expression to that objective of co-operation and solidarity.

47. In order to implement the objective of strengthening the economic base of the developing countries, new approaches had to be explored. In that connexion, the Austrian Federal Chancellor had proposed that additional financial resources should be marshalled for the benefit of developing countries by making available the capital goods they required for the speedy development of their infrastructure. Those goods would be produced through appropriate financing by the donor countries and would be delivered to the recipient countries either as grants or on very favourable terms. The financial resources realized in the developing countries by the sale of the goods could be used to establish rotating funds which, in turn, would offer favourable loans to industry in the country concerned. That question had been discussed at the sixty-first session of the Economic and Social Council and the Committee for Development Planning had been requested to make an analytical survey on related subjects. His delegation would appreciate comments and suggestions from other delegations concerning substantive and procedural measures aimed at defining possible areas of agreement and the scope for further action.

48. Mr. GAMBOA (Venezuela) said that from the point of view of the developing countries, the balance-sheet of the International Development Strategy, one of the frameworks for established global policies, was negative because the growth targets laid down had generally not been attained. As a result, the developing countries were challenging the present basic guidelines of the Strategy. The Strategy had

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(Mr. Gamboa, Venezuela)

failed partly because the industrialized countries had not met their commitments concerning government development aid and the share of products from developing countries in world trade. Basically, it had failed, however, because it had placed too much emphasis on economic growth targets without regard for structural changes in international economic relations. Consequently, the international community had begun the process of revising the Strategy in order to bring it into line with the new international economic order by adopting concrete and specific measures to resolve or alleviate the problems of the developing countries and, in particular, to correct inequalities and redress injustices.

49. Nevertheless, the inequalities were becoming more pronounced despite the mass of proposals for revising the Strategy in relation to such questions as new approaches to development, recognition of trade as the main instrument of international co-operation, the primary commodity régime, international resource development for the benefit of all countries, restructuring of the monetary system to meet the needs of developing countries, strengthening of economic co-operation between developing countries and socialist countries and intensification of that co-operation among the developing countries themselves.

50. In 1976, there had been many conferences which had had an impact on the world picture and which the Second Committee should consider at the current session. Special mention should be made, inter alia, of the fourth session of UNCTAD, the Habitat Conference, the Conference on Economic Co-operation among Developing Countries held in Mexico and the fifth Conference of Heads of State or Government of Non-Aligned Countries, which had constituted an unprecedented effort in international co-operation. Important decisions had been adopted at that last conference relating, inter alia, to the establishment of a fund for the financing of buffer stocks of raw materials, horizontal co-operation, the establishment of multinational transport enterprises, creation of a technical co-operation information bank, restructuring of the International Monetary Fund and establishment of a system of trade preferences among the developing countries.

51. Similarly, the Conference on International Economic Co-operation had been able to overcome the stagnation which had set in early in 1976 owing to the lack of political will on the part of the industrialized countries to seek solutions to the crucial questions of indebtedness and protection of the purchasing power of the export income of the developing countries. In its second stage, the Conference would have to work out a broad and equitable programme of international economic co-operation which would include provisions acceptable to all parties.

52. There would be further international conferences in the next few years aimed at finding solutions to such important issues as water resources, desertification, technical co-operation and science and technology. His delegation considered that those conferences should have as specific objectives the strengthening of the technological capacity of the developing countries, the preparation of an international code of conduct for the transfer of technology, increased co-operation among developing countries and the reordering of the régime of industrial property.

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(Mr. Gamboa, Venezuela)

53. In connexion with the problems arising from the corrupt practices of transnational corporations, his delegation wished to reaffirm its interest in participating in the intergovernmental group set up by the Economic and Social Council at its sixty-first session to investigate that question. The work on the drafting of a code of conduct which would be legally binding on the transnational corporations should proceed concurrently with the group's activities.

54. The negotiations on the restructuring of the economic and social sectors of the United Nations which were being carried on in the Contact Group were complex and he hoped that the political will and interest shown so far would be maintained. Restructuring activities should take into account the resolution adopted by the fourth session of UNCTAD, which recommended a set of measures designed to give UNCTAD a major role in international trade and development.

55. Work must continue by common consent to find new ways, and to develop existing ways, of bringing about a more just, balanced and progressive international economic order.

56. Mr. CORREA da COSTA (Brazil) said that, although the world economic situation was showing positive signs of recovery, particularly on the part of the so-called central economies, the spectres of inflation, unemployment and hunger still persisted and had a marked effect on the most vulnerable economies and peoples, in other words, on the developing countries. Rather than speculate on the roots of the main problems confronting the world, he wished to reiterate the need to tackle those problems in a positive way, in a spirit of real co-operation, working for a development based on the concept of international interdependence which could only be achieved by the political will of the major industrialized countries.

57. The various solutions proposed for problems of international co-operation for development had been of little avail. At the seventh special session of the General Assembly, the developing countries, conscious of the limitations of resolution 3362 (S-VII), had been united in their confidence that the developed countries would give concrete form to at least some of the suggestions which had been put forward. The results of the fourth session of UNCTAD and the stage reached by the Paris Conference were well known, as was the context of Economic and Social Council resolution 2042 (LXI), which had expressed unanimous concern and disenchantment with the current state of affairs in the field of international co-operation for development.

58. It was only fair to recognize that some of the developed countries had paid more attention than others to the repeated appeals of developing countries, particularly the poorer ones, for short-term assistance programmes. However, such programmes were of an emergency nature and had little effect on the more deep-rooted question of development. Such assistance, although important, was basically a palliative and needed to be supplemented by measures and resources capable of producing an impact on the development process and transforming the existing relationship between developed and developing countries into relations of sovereign equality, interdependence, common interests and co-operation among States, which were the very rationale of the new international economic order.

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(Mr. Correa da Costa, Brazil)

59. An urgent and decisive effort was required from the major industrialized countries in order to give real effect to the global interdependence which had been proclaimed so often. If one took a retrospective look at international co-operation for development, the balance was a negative one. The developing countries could not sit back and wait for the developed countries to perform miracles. The Group of 77 had more than once declared that the main responsibility for development rested with the developing countries themselves. However, resolute national action by those countries would have very limited effect if it was not supported by concrete external measures which gave them access to vital dividends and savings. The developing countries should adopt internal measures to organize and make better use of their scarce resources, but it was up to the developed countries to supplement their efforts in areas fundamental to development, such as international trade, transfer of technology, industrialization, and so on.

60. There had been ample discussion of those topics and it now remained to activate the plans of action, programmes and recommendations emanating from sectoral conferences and from the General Assembly. Those instruments included not only the International Development Strategy but also the results of the World Food Conference, the Conference on Industrialization, the Declaration of Tokyo and the Kingston Agreements. It was universally recognized that it was not in the interest of the international community to keep two thirds of mankind at their current level of poverty. The difficulty of the development task did not justify the sterile rhythm of meetings and documents which had no substantive results.

61. The possibilities for co-operation were nevertheless, promising although little had been accomplished. As the Brazilian Minister for External Relations had pointed out at the thirty-first session of the General Assembly, if the oil-producing countries were excluded from analysis, the transfer of capital from the developed areas to the less developed was becoming a myth. In net terms, that transfer might soon run from south to north. While the participation of the less developed countries in world trade was dwindling, their presence in generating the surplus that was accumulating in the balance of payments of the main world business partners was increasing. That was all the more surprising since, if financial transfers to the developing countries were directed into productive sectors, they would not prejudice the economic growth of the developed countries themselves. Studies prepared by United Nations experts showed that if the net flow of capital to non-oil-exporting developing countries reached levels compatible with the objectives of the Second Development Decade in the next few years, the income of the developed countries members of OECD would increase at a faster rate than at present. In that connexion, his delegation welcomed the statement made to the Committee by the French representative.

62. With regard to the restructuring of the economic and social sectors of the United Nations, as a former member of the group set up by resolution 3343 (XXIX) he welcomed the progress made, although that progress might not live up to expectations because of the obvious complexities involved. However, his delegation was sure that the intricate exercise currently under way would eventually meet the expectations that had attended its launching within the framework of the establishment of the new international economic order.

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(Mr. Correa da Costa, Brazil)

63. It had been impossible to revise the International Development Strategy at the sixty-first session of the Economic and Social Council, although the resolution adopted by the Special Economic Committee of the Council had once again stressed the importance of implementing that Strategy. The fact that the International Development Strategy was the only international development plan justified its existence and explained why it was so important to have it supported and implemented by all participants in the uneven game of international co-operation for development. In 1970, the Strategy had been acknowledged as presenting an integrated focus on planning for international co-operation for development. It had never been conceived as a static instrument and it was precisely for that reason that it was possible to revise and adapt it to new contemporary realities. His delegation was convinced that recent events justified the adoption of additional goals and policy measures to adjust the Strategy to the new international economic order. The reservations and opposition to specific points in resolution 2626 (XXV) must therefore be eliminated.

64. The Third Development Decade should be discussed the following year, when the Committee on Review and Appraisal met for its fourth session. The immediate task was precisely that of revising the International Development Strategy in the light of the new international economic order. It would be illogical to go on to another stage in the history of development decades while continuing to operate with a Strategy which had not been fully endorsed and implemented. It was to be hoped that the universal expression of interdependence and co-operation would prevail over the shortsightedness which had been allowed to cripple the cause of international co-operation for development.

65. It would be remembered that during the seventh special session of the General Assembly the Minister for External Relations of Brazil had submitted a proposal to reformulate the out-dated and unbalanced norms which to some extent governed trade relations. The proposal had aroused considerable interest, but it had been recognized that economic relations were to be the subject of careful study and important negotiations in 1976 in three main forums: the multilateral GATT talks, the fourth session of UNCTAD and the Paris Conference on International Economic Co-operation. Although the developing countries had thought it feasible to open a new front for discussions by establishing a committee to study a North-South trade agreement, that effort had been thwarted by the nearly uniform opposition of the developed countries, which believed that there would be a conflict between the already existing negotiation forums and a commitment to begin new negotiations on trade in an ad hoc committee. A year later it could be seen that multilateral trade negotiations were moving forward at a rather unsatisfactory pace, that the results of the fourth session of UNCTAD were limited and that the Paris Conference had not provided the solutions hoped for. That proved the continued relevance of the aforementioned proposal. Unfortunately, no signs of change could be seen in the negative stance taken by the developed countries which would allow the work begun by the General Assembly at its thirtieth session to continue. On the other hand, Brazil had submitted a proposal for the restructuring of GATT norms, on which various consultations were taking place.

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(Mr. Correa da Costa, Brazil)

66. Finally, he was convinced that the establishment of just and equitable economic relations between developed and developing countries must involve an in-depth revision of the norms governing international trade.

67. Mr. LOHANI (Nepal) said that despite the optimistic note of his remarks, the Under-Secretary-General, Mr. Van Laethem, had enumerated objectively the problems which continued to plague the world economy, including the recession, which had led to high rates of unemployment and inflation in the developed market economies and had also affected many developing countries. The consequences had been especially severe for petroleum-importing developing countries, which were extremely vulnerable at the present time to any new increase in the prices of their imports and unusually dependent on an immediate increase in their export earnings, as was confirmed by the summary report on the World Economic Survey, 1975 (E/5827/Rev.1).

68. The mid-term review and appraisal of the progress of the International Development Strategy for the Second Development Decade left no doubt that most of the targets laid down therein had remained unfulfilled. The resolutions and decisions adopted by the General Assembly at its sixth and seventh special sessions were being implemented very slowly and the Paris Conference on International Economic Co-operation had yet to prove that the North-South dialogue would yield fruitful results. One of the most serious shortfalls in the implementation of the objectives of the International Development Strategy had been the decline in the volume of development assistance flowing to developing countries. Statistics indicated that during the period 1971-1975 concessionary transfers had not exceeded 0.33 per cent, which was less than half of the target of 0.7 per cent. The inadequacy of that assistance had a special effect on the poorest developing countries, as Mr. McNamara, President of the World Bank, had said recently at the annual meeting of that body and IMF, stating that the current and projected levels of official development assistance for the poorest countries was inadequate, if poverty was to be reduced. It was pertinent to recall General Assembly resolution 3489 (XXX), which took note of the need of developing countries to have foreknowledge of the external assistance available to them on a sustained, consistent and long-term basis in order to enable them to plan their economic development in a more systematic and productive manner.

69. The elimination of the current inequalities in the international economic system was in the interest of both the developed and the developing countries, as long-term world development was inconceivable without a new global equilibrium. The existing economic system was unfavourable to developing countries, whose share in the expansion of world trade since the Bretton Woods Conference had been only nominal. There was growing realization that the world could not escape a severe crisis if effective and practical measures were not adopted to reorient the existing unjust economic system to a just and balanced economic order. That was the direction taken by the Declaration and Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the Declaration and Programme of Action adopted by the non-aligned countries at Colombo. However, if those decisions, declarations and programmes were to bear fruit, they would have to be effectively implemented.

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(Mr. Lohani, Nepal)

70. Fortunately, the developing countries had realized the importance of a co-operation among themselves, which could enhance their collective bargaining strength with the developed world. It was true that countries at different levels of development were bound to have different priorities and courses of action, but the Manila Declaration, the Colombo Conference and the Mexico Conference had given specific content to economic co-operation between developing countries by proposing a system of trade preferences for the third world, a countervailing currency, a third world banking system, and the Council of Producers' Associations. It could not be denied that the developing countries bore primary responsibility for their own economic progress, but they could not diversify their economies unless they were assured of access to the markets of the developed countries. The demands of the third world for debt relief, increased volume of development assistance, stabilization of their export earnings and improved access to markets could and should be viewed within the broader framework of global interdependence. His delegation noted with regret that the special measures recommended by the General Assembly and other United Nations bodies in favour of the least developed among the developing countries had not been fully implemented. His country had been listed among those countries and was, furthermore, a land-locked country. His delegation would like the international community to understand the close relationship between those two characteristics. The Nepalese economy was under constant strain, caused mainly by its geographically disadvantageous position. His delegation earnestly hoped that the special fund for the land-locked developing countries established by General Assembly resolution 3504 (XXX) would become operational without delay and that the international community would contribute generously to the fund to make it operational on a continuous and long-term basis. His delegation had also noted with concern that the target figure of \$1 billion established for the United Nations Special Fund had not yet materialized. It should be noted that the Board of Governors of the Fund at its second session had included Nepal, along with the Gambia, on the list of the most seriously affected countries. He urged the developed countries, and others in a position to do so, to make adequate contributions to the Fund so that it could help the most seriously affected countries meet their serious balance-of-payments deficits and overcome other difficulties in the field of development.

71. Inasmuch as the ultimate goal of development was to achieve a better quality of life for all, the full participation of women in the various economic, social, political and cultural sectors should be an integral part of the establishment of a new international economic order. His country had taken keen interest in the Programme of Action adopted by the World Conference of the International Womens' Year and a regional seminar on the subject would be held in Nepal in February 1977. It was his country's firm conviction that the constitutional and legal reforms introduced recently by His Majesty King Birendra would go a long way towards ensuring the participation of women on an equal footing with men in the development process. His delegation welcomed with satisfaction the Secretary-General's report (A/31/205) which contained the outline of a study on the participation of women in agriculture, trade, industry, science and technology, and hoped that the findings of the proposed study would be of immense importance to the most disadvantaged segments of the population in the developing countries.

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(Mr. Lohani, Nepal)

72. In order for the restructuring of the economic and social sectors of the United Nations system to be possible, the system must be adaptable and resilient. There seemed also to be no doubt that the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System and the Economic and Social Council should play a vital role, so as to maintain coherence and ensure the functional efficiency of the Organization. His delegation had taken note with satisfaction of the views expressed in the introduction to the Secretary-General's report on the work of the Organization (A/31/1/Add.1) in favour of consolidating the existing institutions in order to avoid unnecessary proliferation of international organizations, which would lead not only to fragmentation but also to large increases in the overhead costs of the system at the expense of substantive activities. That was a suggestion which merited close study and attention.

The meeting rose at 6.05 p.m.