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**GENERAL
ASSEMBLY**



SECOND COMMITTEE
3rd meeting
held on
Friday, 5 October 1984
at 10.30 a.m.
New York

THIRTY-NINTH SESSION

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SUMMARY RECORD OF THE 3rd MEETING

Chairman: Mr. HARLAND (New Zealand)

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

ORGANIZATION OF WORK (A/C.2/39/1; A/C.2/39/L.1 and Add.1)

1. The CHAIRMAN drew the Committee's attention to Economic and Social Council decision 1983/164, which the General Assembly had endorsed in its decision 38/429, in which it had decided, inter alia, that the work of the Second Committee should be organized in such a manner as to encourage meaningful and better-focused discussions, leading to action-oriented decisions, and that the general debate of the Second Committee should focus on specific major issues of international economic co-operation and development.
2. In accordance with that decision, and following the successful practice initiated the previous year, statements on behalf of organs, organizations and bodies of the United Nations system would be made in the context of deliberations on specific reports and would be circulated in advance. Opportunities would be provided to the executive heads concerned to make a brief supplementary statement during the course of the deliberations on the items under consideration. An opportunity would also be provided for members of the Committee to exchange views with the executive heads.
3. With regard to the scheduling of debates, he proposed that 6 p.m. on Monday, 8 October should be set as the deadline for the closure of the list of speakers in the general debate. He also informed the Committee of the request made by the Secretary-General of UNCTAD to speak on 17 October, even though the debate on trade and development was scheduled for 14 November. The Committee would also have to wait until an unspecified date to hear the statement of the President of the World Conference on Fisheries Management and Development, the report of which was to be considered, pursuant to Economic and Social Council decision 1984/164, in connection with agenda item 12, since the President of the Conference would be unable to be present in New York on the date scheduled for consideration of that item. Finally, in that connection, and taking into account the recommendation of the General Assembly that the deadline for the submission of draft proposals under various items of the agenda should be established when the Committee approved its organization of work, he proposed that Wednesday of the week following the conclusion of the debate on each item should be set as the deadline.
4. The General Assembly had also recommended that the number of draft proposals submitted under each item should be kept to a minimum. To the extent possible, the Committee should endeavour to adopt only one draft resolution or decision on each specific issue before it.
5. A number of delegations, including the sponsors of the proposal to include item 141, entitled "Countries stricken by desertification and drought", on the agenda of the General Assembly, had requested that the item should be considered separately, since it was appearing on the agenda for the first time. Bearing that in mind, he proposed that document A/C.2/39/L.1 should be revised by moving the consideration of item 141 to 26 October.

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(The Chairman)

6. Finally, he drew the Committee's attention to paragraph 13 of General Assembly decision 34/401, by which the Assembly had decided that a mandatory deadline, not later than 1 December, should be established for the submission to the Fifth Committee of all draft resolutions with financial implications. Since 1 December fell on a Saturday in 1984, Friday, 30 November would be established as the deadline for the Second Committee.

7. Mr. FAREED (Pakistan) said he found the date on which the debate on agenda item 12 was scheduled to begin rather late; accordingly, he suggested that the days from 8 to 16 October should be set aside for the holding of informal consultations on some questions falling under item 12 which required further consideration, such as consumer protection.

8. Mr. ORLANDO (United States of America) opposed the suggestion made by the representative of Pakistan; those informal consultations could not be held until November, when an expert on the subject was scheduled to arrive.

9. Mrs. GREGORY (Canada) drew the attention of the officers of the Committee to the fact that a number of the documents referred to in document A/C.2/39/L.1 and Add.1 were not available to delegations.

10. Mr. FAREED (Pakistan) insisted that the question entitled "Consumer protection", included under agenda item 12, should be considered as soon as possible.

11. Mr. KUMLIN (Sweden) proposed that the decision concerning the specific date for consideration of the question of "Consumer protection" should be left open so that delegations might have time to consider an appropriate date.

12. Mr. ORLANDO (United States of America) supported the proposal of the representative of Sweden.

13. The CHAIRMAN proposed that the suggestions made by the representatives of Pakistan, Sweden and the United States of America should be put aside in order to give the Bureau time to consider a proposed date for consideration of the question of "Consumer protection" and submit it to the Committee during the following week.

14. If he heard no objections, he would take it that the Committee wished to adopt the programme of work contained in documents A/C.2/39/L.1 and Add.1, as orally revised.

15. It was so decided.

GENERAL DEBATE

16. Mr. FISCHER (President of the Economic and Social Council) said that the growing interest of the General Assembly and the Economic and Social Council in international economic co-operation for development and the close relationship

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(Mr. Fischer)

between the two found expression in the request by the General Assembly to the Council that it should consider and recommend for consideration by the General Assembly at its thirty-ninth session a proposed biennial programme of work for the Second Committee. At its second regular session in 1984, held in July, the Economic and Social Council had agreed on a number of suggestions which were now before the Committee for consideration and action. In view of the increasing workload, the elaboration of a biennial programme of work would facilitate the work of the Committee and the Council and their mutual support. The Council, with guidance from the General Assembly, could and should play an important role in the preparation of the latter's work in the economic, social and related fields.

17. Over the past three years the working methods of the Council had been strengthened and improved, bearing in mind the need to avoid duplication of the work of the General Assembly and to arrive at a division of labour in line with the respective functions of the two bodies as set out in the Charter of the United Nations.

18. In addition, by harmonizing and co-ordinating the various activities of the United Nations system the Economic and Social Council could strengthen the role of the Organization in the field of international economic and social co-operation. That would require a genuine dialogue between the members of the Council and the representatives of the specialized agencies and other organs and organizations of the system. An effort had been made in that respect during the Council's second regular session by introducing an informal question-and-answer period and by inviting representatives of various organs and organizations to informal exchanges of views with Council members. Particular attention should be drawn in that respect to the informal meeting held with the members of the Bureau of the Committee for Development Planning.

19. The limited membership of the Council raised several problems with regard to the division of work between the Council and the General Assembly; however, that did not prevent the Council from considering the issues before it or making recommendations thereon to the Second Committee.

20. A true revitalization of the Council, however, meant making progress on the substantive issues on its agenda, and that primarily required the necessary political will on the part of Member States and also the devotion of more time to in-depth policy discussions of central issues, a reduction in routine or housekeeping activities and the avoidance of the adoption of resolutions of a repetitive nature.

21. With regard to the substantive issues, the Council had considered as a matter of priority last July the critical economic situation in Africa; although, unfortunately, no agreement had been reached on a framework of action, it was hoped that the deliberations of the Council would prove useful to the General Assembly in its consideration of the problem. He stressed that it was important to continue, despite the practical difficulties, selecting priority issues, and particularly to submit the necessary information and documentation on time, and that there was a need for less time-consuming and better structured consultations.

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(Mr. Fischer)

22. With regard to the future, the participation of the various specialized agencies and organizations of the United Nations system in the work of the Council meant that the Council's co-ordinating function acquired increasing importance in dealing with problems of an interdisciplinary and interorganizational nature, which the Council had the unique opportunity of addressing in an integrated manner. That was of particular importance with regard to the interrelationship between economic and social development. In seeking to increase its contribution to the promotion of development in a manner which would truly respond to the human dimension of that historic process of change, the United Nations and particularly the Council could not forget that in the coming years it would be necessary to give greater attention to the social dimension of development and to the effects of economic policy on the social fabric of societies.

23. He was aware of the general sense of frustration with the current state of North-South co-operation in the United Nations, which was again reflected in the recent Declaration of the Ministers of Foreign Affairs of the Group of 77, and of the tendency to be critical which that intensified, but accusations could only aggravate problems instead of solving them.

24. Although there was no easy solution, there was still a great reservoir of good will and commitment on the part of the representatives of all groups and regions to make better use of the possibilities which the Organization offered in the field of international co-operation. That provided the opportunity of searching together for means to define areas of possible North-South co-operation in a pragmatic and realistic way through genuine discussion, and of addressing problems without having to abandon various beliefs and positions.

25. Mr. ALLEGRETT (Chairman of the Latin American Economic System (LAES)) said that the overall situation of Latin America had noticeably deteriorated in the last 10 years. The positive growth rates of the previous decades had become negative. The gross domestic product had declined by 1.3 per cent and 3.5 per cent in 1982 and 1983 respectively, and 1984 would be the third consecutive year without real growth. Unemployment and inflation had increased and the per capita output had fallen to the levels of the 1970s, without any possibility of recovery until the beginning of the next decade, and that was at the increasingly less tolerable political and social cost of continuing internal adjustment policies.

26. External factors which were beyond the control of the countries of the region and had demonstrated the vulnerability of their economies had had a decisive impact on that situation. During the world-wide recession the decline in trade and the growth in interest rates, which had reached levels which were unprecedented since 1979, had reduced exports by 8.6 per cent and 2.8 per cent in 1982 and 1983 respectively. All those factors had particularly weakened the capability of the countries of the region to make payments, giving rise to the Latin American debt crisis. As a necessary adjustment measure, their voluminous foreign debt had been rescheduled and strict economic measures designed to adapt their economies to adverse external conditions had been adopted within the framework of stabilization programmes, endorsed by the International Monetary Fund, whose implications were basically recessionary.

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(Mr. Allegrett)

27. The drop in world demand and the increase in protectionist measures by the industrialized countries had made it necessary to bring about the adjustment by reducing imports, rather than by increasing exports. The balance of trade for Latin America, which traditionally showed a deficit, had in the biennium 1982-1983 shown a trade surplus of some \$US 30 billion due to a cumulative fall in imports by more than 40 per cent. Nevertheless, in 1983 the current account had registered a negative balance of \$8.5 billion because of the high payments under the heading of interest and profits, which seriously affected the recovery and development of the countries of the region. Only a reduction in the current burden of servicing the foreign debt would allow Latin America to achieve its development objectives and carry out its development plans.

28. On the other hand, it did not appear possible to count on foreign credit, as had been done before the crisis. In 1982 private international bank loans, which had increased at a rate of some \$25 billion a year in the preceding period, had been almost entirely reduced to "involuntary" loans granted within the framework of foreign debt renegotiation agreements. Without access to capital markets and without the possibility of generating trade surpluses through new import reductions, which would weaken the industrial structure and aggravate the recession, the joint and mutually supportive response of Latin America and the Caribbean to the crisis had focused on the need to increase exports and devise ways of alleviating the burden of servicing the debt, questions which, furthermore, were undeniably linked.

29. The Latin American Economic Conference held in Quito at the beginning of the year had drawn up a set of measures designed to broaden trade exchanges through non-conventional trade arrangements such as compensatory trade, reducing tariff and non-tariff barriers in mutual relations, strengthening the mechanisms of trade financing, increasing co-operation in the fields of food, energy and services, and strengthening joint actions in foreign economic relations, particularly in the field of international trade and finance.

30. The tenth meeting of the Latin American Council of LAES, to be held in Caracas from 15 to 26 October, would make the first evaluation of attempts by Latin American co-operation and integration agencies to revitalize the market and regional action. To the extent that those initiatives were put into practice, they would also revitalize Latin American co-operation and integration in a broader sense and demonstrate how the economic security of developing countries could be insured only by mobilizing their own efforts, resources and potential.

31. Likewise, the countries of the so-called Cartagena Consensus were attempting to change traditional patterns and modify the highly unsuitable terms for renegotiating the foreign debt through joint action. That was the result of a perception of the limitations and negative consequences which certain industrialized countries' policy of increasing interest rates had brought about for the economies of developing countries. For each percentage point increase in interest rates, the servicing of the Latin American debt increased by \$2.5 billion, which in the current year would mean the allocation to debt repayment of

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(Mr. Allegrett)

\$4 billion, or 50 per cent of the increase in exports forecast for 1984, under circumstances in which Latin America had to earmark more than half of its export revenues, in the case of certain countries more than 150 per cent, in order to service the debt. For those reasons, joint Latin American action was required in order to bring about better terms in the debt rescheduling, but that action would have to be complemented by an effort on the part of the international community as a whole.

The meeting rose at 11.50 a.m.