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SUMMARY RECORD OF THE 11th MEETING

Chairman: Mr. HARLAND (New Zealand)

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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. GONZALEZ QUINTANILLA (Bolivia) said that Bolivia was experiencing grave economic difficulties that were interfering with its process of democratization. An illustration of its economic situation was the fact that the gross domestic product had declined by 20 per cent over the past few years, while at the same time the various sectors of the economy in general had contracted; for example, mining production in 1983 had been only 75 per cent of that in 1977, and in 1983 agricultural production had been down by 25 per cent. The situation had had repercussions on the social sector also; for example, life expectancy in Bolivia was the lowest in Latin America, and most of the population lacked the most basic services. All that went to show that Bolivia had not succeeded in structuring an economic base guaranteeing a minimum level of well-being for its population.

2. When the current democratic administration had taken office, the country had been facing bankruptcy owing to a policy that had benefited a few privileged persons to the detriment of the vast majority. To correct the situation, the Government had taken short-term measures designed among other things to curb inflation, maintain the purchasing power of the population and start restoring production. In addition to the short-term measures, the Government was formulating a Rehabilitation and Development Plan for 1984-1987, the basic objective of which was to rehabilitate the economy and reform the country's productive structure with a view to encouraging development and raising the level of living of the majority of the population. To that end, the Plan would act as a guideline and bring into play certain dynamic factors that would act as "engines of growth". The economic system outlined in the Plan was that of a mixed economy, with the State sector preponderating. An effort would also be made to improve tax collection and channel public investment. In its social aspects, the Plan was designed to raise basic levels of living and to reaffirm the democratic process by stressing popular participation at all levels.

3. At the international level, Bolivia intended to maintain balanced economic relations with all countries, with no privileged "special relationships" for any country. In that connection, Bolivia distinguished between four groups of countries, according to the nature of its relations with them: first, the developed countries, whose financial and technical co-operation was fundamental; secondly, Argentina and Brazil, with which Bolivia conducted a large part of its transactions; thirdly, the other countries of Latin America, in particular the members of the Andean Pact; and, fourthly, the rest of the developing countries, with which Bolivia proposed to undertake programmes for the defence of raw materials producers. Bolivia would also pay particular attention to its relations with the international financing agencies.

4. His Government continued to be concerned by the situation of the world economy. The recovery noted in Western Europe had not in general spread to the developing countries, which, with revenues depending for the most part on exports, of raw materials, had seen the prices and the demand for those materials continue to decline. The price of tin in particular, which largely determined Bolivia's

(Mr. Gonzalez Quintanilla, Bolivia)

national income, had continued to fall and the weakness of the hydrocarbons market had intensified its international liquidity problems.

5. Bolivia's problems, while typical of those of the countries of the South, were aggravated by the fact that it was landlocked. In order to solve the general problems of the developing countries the industrialized countries must co-operate through measures to improve the terms of trade, to reactivate financial flows, to raise commodity prices and to reduce interest rates, the last-mentioned because for many countries the burden of external debt had become overwhelming.

6. In conclusion, he appealed for an end to the reverse transfer of resources, which had meant that the development efforts of the developing, in other words of the neediest countries, had resulted in transferring resources to the richer countries.

7. Mr. McDONAGH (Ireland), speaking on behalf of the 10 States members of the European Economic Community, said that all the signs pointed to a real economic recovery in the developed countries, although, apart from the United States, it was still modest compared with earlier periods. Nevertheless, the recovery was marked by positive elements; for example, it had not so far led to renewed inflation. In addition, the balance-of-payments position of the non-oil-producing developing countries had improved and their rate of growth had increased from only 1 per cent in 1983 to 3.5 per cent in 1984, and was expected to reach 4.5 per cent in 1985. Despite all those indications, however, problems persisted, such as unemployment in a number of European countries and disparities in growth among the various industrialized countries. Efforts must be made to liberalize trade and combat protectionism; it was also essential for real interest rates to be brought down since their current level constituted an obstacle to sustained recovery. In order to bring about a vigorous and sustained economic recovery, therefore, various steps needed to be taken, including the harmonization of economic policies and the continuation of the North-South dialogue.

8. He expressed the support of the Ten for the appeal of the Secretary-General and the Chairman of the Group of 77 for greater multilateral co-operation, given the increasing interdependence between the various countries. Co-operation and greater assistance to the developing countries had been a prominent theme at the OECD Council meeting in May 1984 and at the London Economic Summit held in June of that year.

9. External indebtedness continued to place a heavy burden on the economies of many developing countries. A number of debtor countries had made praiseworthy efforts to solve their difficulties but international co-operation was vital in that sphere also. Both at the OECD ministerial meeting and at the London summit meeting, strategies had been outlined for helping the debtor countries that would require the co-operation of Governments, international financial institutions and the banking community. Since those meetings, a number of agreements had been reached with debtor countries. The main contributions which the industrialized countries could make in that connection were, first, to reduce interest rates and to achieve the highest possible level of non-inflationary growth; secondly, they must help the debtor countries to expand their exports by resisting protectionist

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(Mr. McDonagh, Ireland)

pressures; thirdly, they must improve the operation of the international monetary system, through exchange rate stability, efficient multilateral surveillance and management of international liquidity, closer co-operation between the World Bank and the International Monetary Fund, and through strengthening the role of IBRD in fostering development over the medium and long term.

10. There had been an improvement in international trade with appreciably beneficial effects in some developing countries. The European Economic Community (EEC) was the largest trading partner of the developing countries. The level of imports from those countries exceeded that of exports to them. Despite the Community's economic difficulties, its imports of manufactured goods from the developing countries had increased regularly. Its customs tariffs were among the lowest in the world. The Community had decided to maintain its generalized system of preferences at least until 1990, and to improve it in particular for the least developed countries. The vast majority of products from the African, Caribbean and Pacific countries had free access to the Community market. The importance which the Community attached to the stability of commodity earnings was given practical expression in the STABEX system. All States members of EEC had signed or ratified the agreement establishing the Common Fund for Commodities, which they regarded as a key instrument in achieving the objectives of the Integrated Programme for Commodities. EEC favoured strengthening the open international trading system. He reminded the Committee that at the OECD Ministerial Meeting it had been agreed to advance by one year the tariff cuts scheduled for 1986 under the Multilateral Trade Negotiations. The Community was also committed to advancing the work programme agreed at the 1982 GATT Ministerial Meeting, and thought that a new round of multilateral trade negotiations could be advantageous.

11. Compared with the beginning of the preceding decade, net Community payments had increased more than sixfold and the amount of commitments almost twentyfold. Nearly two thirds of community aid, which was granted on extremely favourable terms and mostly in the form of grants, went to the countries of sub-Saharan Africa; low-income countries received over 80 per cent and the least developed countries more than 40 per cent. In 1982, \$12.2 billion had been disbursed by EEC and its member States. The States members of the Community would respect their commitments regarding the 0.7 per cent and 0.15 per cent targets, which had been already attained by some of them.

12. In recent years, the Community and its member States had strengthened their role as food-aid donors, made available to developing countries in the form of grants. The Community and its member States had signed the 1980 Food Aid Convention which had been extended until 30 June 1986. Under that new Convention the Community's minimum annual contribution had increased substantially, with the ultimate objective of supporting developing countries' efforts towards food self-sufficiency.

13. The States members of EEC continued to support operational activities for development. Over one third of the contributions pledged to UNDP came from them. In addition to UNDP, IDA and IFAD must receive the resources needed to discharge their tasks.

(Mr. McDonagh, Ireland)

14. The developing countries should also contribute to achieving the common goal by strengthening the domestic framework of their economies, increasing productivity and identifying priorities in order to make better use of investment resources, whether domestic or external. Areas for possible improvement included increased domestic investment, encouragement of direct foreign investment, diversification of exports, the introduction of food strategies and greater attention to rural development.

15. In the North-South dialogue, there had been a number of important themes which the States members of EEC considered important. The first was the holding of global negotiations on a basis acceptable to all, which was supported by the Community. The second was the review and appraisal of the International Development Strategy, with respect to which his delegation shared the disappointment of other delegations that the review process was stagnating, although some progress had been made; in conformity with the decision taken at the summer session of the Economic and Social Council, the Chairman of the Committee on the Review and Appraisal of the Implementation of the Strategy had presented to delegations a negotiating text of which it had not been possible to consider more than one chapter; EEC remained committed to attainment of the objectives of the Strategy. The third was the Fourth General Conference of UNIDO, in connection with which EEC hoped that the General Assembly would reach consensus on the two major issues on which agreement had not been possible. The fourth was the International Conference on Population which had provided useful guidelines for tackling the serious social and economic problems caused by population growth. Fifthly, EEC welcomed the agreement on a selective capital increase of \$8.4 billion for the World Bank, as well as the increase of \$650 million for the International Finance Corporation; in that connection, the need to mobilize supplementary funding for the seventh replenishment of IDA should be borne in mind. The sixth was the new Lomé Convention between EEC and the countries of Africa, the Caribbean and the Pacific, the negotiations for which had entered their final phase so that the new text was expected to be signed in December 1984; that text, like its predecessors, would cover a range of trade and aid provisions with over 60 African, Caribbean and Pacific countries representing almost half the international community. The seventh was the recent ministerial Conference in Costa Rica, at which EEC had demonstrated its commitment to co-operate with other regions of the world and which had inaugurated a new structure of political and economic dialogue between Europe and Central America aimed at promoting stability, social justice, economic development and respect for human rights and democratic liberties in the region.

16. The lack of agreement on the critical economic situation in Africa, which had been the major question considered at the summer session of the Economic and Social Council, should not make people forget the positive spirit in which the negotiations had been conducted, which gave reason to believe that the General Assembly might reach agreement on, and adopt, a declaration on that matter. The States members of EEC strongly supported the World Bank's action programme for Africa as well as the Secretary-General's initiative in appealing for international support to help the African countries overcome the current crisis. Looking to the future, EEC reiterated its strong support for the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

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(Mr. McDonagh, Ireland)

17. In conclusion, he endorsed the view expressed by the Secretary-General in his annual report on the work of the Organization that discussions at that level contained by nature an element of controversy. That was inevitable and there was no more suitable forum for juxtaposing and developing together ideas designed to solve the most important problems confronting the international community. His delegation supported proposals for the introduction of a biennial work programme in the Second Committee, which might lead to fewer but more meaningful resolutions. The Irish Minister for Foreign Affairs had already expressed in the General Assembly EEC's conviction that, as the United Nations entered its fortieth year, it should renew its commitment to a multilateral approach to questions with energy, imagination and a spirit of co-operation.

18. Mr. TOMOHIKO KOBAYASHI (Japan) said that he was gratified by the signs of recovery in OECD countries: economic growth had attained 5 per cent, inflation was under control and world trade was growing. Some developing countries, especially in south and east Asia, were also experiencing expansion in their economic activities. The current account deficits of a number of developing countries had been reduced, and their foreign currency reserve positions improved, through policies of severe adjustment. None the less there were still major problems: many developing countries had been unable to regain their earlier growth rates, and external debt problems persisted. Above all, his delegation was concerned by the critical economic situation of the sub-Saharan African countries.

19. The lessons of the 1980-1983 recession had to be learned. Firstly, there was a need for the developed countries to adopt rigorous macro-economic policies in order to make structural adjustments to their economies based on a medium-term perspective. That would make sustained and non-inflationary growth possible, have a positive effect on trade liberalization and contribute to industrial redeployment. Secondly, it was of importance for developing countries to make every effort to rationalize their domestic economic policies.

20. The latest World Bank report forecast that developing countries, with the aid of the developed countries, could attain a GDP growth rate of over 5 per cent over the next decade, with a consequent increase of some 10 per cent in their exports of manufactured goods.

21. For that to happen a series of measures was necessary. Firstly, it was essential to continue to promote trade liberalization and vanquish protectionism. For that reason Japan was willing to carry out the GATT work programme agreed upon in 1982 and had proposed the initiation of preparations for a new round of multilateral trade negotiations, strong arguments in favour of which had been presented in the 1984 World Economic Survey. In that connection Japan had already adopted a series of unilateral measures aimed at opening up its market. As for the generalized system of preferences, Japan had raised its import ceiling on industrial products by approximately 50 per cent. With respect to imports from developing countries, there had been an increase of 13.7 per cent in imports from South-East Asia during the first quarter of 1984 compared with the same period in 1983, and an increase of 11.6 per cent in imports from Latin America.

(Mr. Tomohiko Kobayashi, Japan)

22. Secondly, there was a need to continue to guarantee a greater flow of external financing to developing countries. Of all the measures being carried out in that area, official development assistance, both bilateral and multilateral, was of special importance. The multilateral financial institutions had an equally important role: in that connection, his delegation welcomed the successful completion of the negotiation of a selective capital increase for the World Bank of \$8.4 billion and the capital increase of \$650 million for the International Finance Corporation. With regard to the issue of supplementary funding for the seventh replenishment of the International Development Association, his Government hoped that ways could be found to achieve a satisfactory solution with the participation of all donors. The flow of capital channelled through direct investment or private banks was also important, since it comprised nearly two thirds of the transfers of resources from developed to developing countries. It was therefore crucial to create a better climate for investment and restore the creditworthiness of developing countries. Japan's official development assistance had increased in 1983 by 24.4 per cent over the previous year. Within that total, multilateral assistance had increased by 103.6 per cent, with the result that its share of total official development assistance had risen from 21.7 per cent in 1982 to 35.5 per cent in 1983.

23. With respect to the issue of indebtedness, collapse had so far been averted through co-operation by all the countries concerned and the adoption, case by case, of the set of measures best adapted to each particular country. The problems of the various debts were best tackled in that manner, while paying due attention to the medium- and long-term outlook. His delegation recognized the importance in efforts to bring about a recovery of improved access by developing countries to foreign markets, as called for at the Quito, Cartagena and Mar del Plata meetings, and the need to secure external financing and reduce interest rates so as to ease the debt burden.

24. In addition to economic and financial initiatives, there was also a need for co-operation among all the countries concerned, as demonstrated by the efforts to negotiate multi-year debt rescheduling. Japan welcomed the decision by the International Monetary Fund and the World Bank to discuss at the next meetings of the Development Committee and Interim Committee, the structural and development aspects, in the medium and long term, of the problems of developing countries.

25. He drew the Committee's attention to the Secretary-General's report (E/1984/68), submitted to the Economic and Social Council at its previous session, on the critical situation in Africa, where 150 million people were starving or malnourished. As the Minister for Foreign Affairs of Japan had stated before the plenary Assembly, the situation was "even worse than war: an affront to peace".

26. In May, responding to the appeal by the Secretary-General at the start of the year, Japan had pledged a contribution of more than \$100 million for 1984 and had declared "Africa Month", during which films would be shown and exhibitions and seminars would be held to raise funds and encourage the Japanese people to support African peoples and co-operate with them. Japan was currently the second largest subscriber to the African Development Fund and the African Development Bank.

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(Mr. Tomohiko Kobayashi, Japan)

27. The survey of the critical food situation undertaken by FAO and WFP and the special action programme supported by the Development Committee were examples of the kind of international steps which should be taken to end the crisis. Note should also be taken, in that context, of the tenth ministerial session of the World Food Council, and of the greater efforts by the African countries themselves to attain the goal of self-reliance contained in the meeting's conclusions and recommendations and in the Special Memorandum of the latest ministerial meeting of ECA. The crisis also had structural causes, which emphasized the urgent need to establish a coherent national food strategy covering agricultural production, distribution, conservation and emergency plans.

28. With regard to African development, he recalled the proposal made by the Minister for Foreign Affairs of Japan to the plenary Assembly that, on the basis of the Secretary-General's report entitled "Special measures for the social and economic development of Africa in the 1980s" (A/39/289), United Nations agencies should prepare a unified plan of action for Africa. He praised the operational activities for development of UNDP and other organs of the United Nations system, and pointed out the need for Member States to increase their contributions to such organs with the aim of improving their effectiveness and developing their activities. Although the Economic and Social Council had not achieved concrete results concerning the critical situation in Africa, all Member States should continue to try to devise a new form of constructive dialogue through a separate analysis of each aspect of the issue, and by striving for concrete results, thus making maximum use of the possibilities offered by the United Nations system.

29. In the area of global negotiations, the exploratory process undertaken to identify important elements to be clarified in order to facilitate the launching of the negotiations had been a positive development. During the previous month discussions had been started, as agreed in Geneva in July, on the text submitted by the Chairman of the Committee on the Review and Appraisal of the Implementation of the International Development Strategy. In that connection the proposal of Mr. Yolah, the Under-Secretary-General, that a group of intergovernmental experts be convened to prepare in depth for the review of the first half of the Decade, which would be undertaken in early 1986, was of particular interest.

30. Mr. KEYES (United States of America) pointed out that the need for reflection and re-examination within the United Nations system, as suggested by the Secretary-General in his annual report on the work of the Organization, was particularly apparent in the Economic and Social Council and the Second Committee. The United Nations had contributed to bettering people's lives. During the previous 20 years, approximately 300 million people had been the beneficiaries of nutrition education, food for work and school and emergency feeding programmes supported by the World Food Programme. WHO had succeeded in eradicating smallpox and, through UNICEF, millions of children had been inoculated against major diseases and their mothers had been trained in oral rehydration therapy, while UNHCR had provided protection, shelter and care to millions of refugees. The limited and practical aim of all those programmes had been to provide tangible services to people in their everyday lives and not to Governments. They had concentrated on producing results, rather than increasing inputs of resources. By contrast, all the exercises that had been too ambitious and too broad in scope, and had been mainly inspired by political imperatives rather than by a tangible sense

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(Mr. Keyes, United States)

of the daily needs of the people of developing countries, had proved fruitless. Those two different types of activities reflected completely different views of the role of the United Nations, particularly in economic and development efforts.

31. Some countries regarded the United Nations system merely as a forum for their political manoeuvring, and an extension of political or even military struggle. According to Pravda, for example, the head of the Soviet delegation to the International Population Conference in Mexico City had applauded the fact that the Conference had assumed a political character. The Soviet Government perceived the United Nations, including its development-oriented activities, essentially as a political tool or weapon. It was not therefore surprising that the level of Soviet support for the voluntarily funded United Nations agencies only accounted for .09 per cent of the UNDP regular budget, to .07 per cent of the UNICEF regular budget and to .043 per cent of the budget of the United Nations Fund for Population Activities. In 1983 the Soviet Union had contributed nothing to the World Food Programme. Even in Ethiopia, where Soviet military aid since 1977 had reached \$3 billion, the Soviet Union had provided only 9,500 tons of rice for the desperate people of the country and, during the current year, although the situation had worsened, it appeared to have done nothing. By contrast, the United States, in 1984 alone, had provided 87,000 tons of food assistance and \$6 million in non-food aid. In spite of serious ideological differences, it had been the United States and the Western countries which had shown their goodwill in the past and continued to do so.

32. Within the United Nations system, the Soviet Union and its Eastern block and third world allies always gave politics priority over human needs. They filled hungry mouths with stale political slogans. While those countries acted thus by calculation and design, others did so more covertly. They took the view that the United Nations was nothing more than theatre, where symbolic concessions to developing countries could be made at no real cost to themselves. Discussions were therefore reduced to shadow plays of confrontation, hypocrisy and recrimination. Those who pursued an agenda of political pressure should ask themselves how long the fragile institutions of multilateral co-operation could bear the strains generated by such an approach. The result had been feckless discussions, irresponsible rhetoric, and the proliferation of sterile, unimplemented and unimplementable resolutions. To do serious work, a serious attitude must be adopted. In the development area, that meant being concerned with results and with the contribution the United Nations could make to the freedom people needed in order to improve their own lives. While members represented Governments, their primary concern in that area should not be to assist Governments. To be sure, debt, trade, Government-to-Government ODA flows of official development assistance and similar issues were important concerns of the Governments of developing countries, but they could be left to ministers of finance and trade. Less thought should be given to increasing the power and resources of Governments and more to unleashing the energy and creativity of the people. Government was not the only and, in most cases, not even the chief engine of development; in fact it was often an obstacle. Recognition must be given to the importance of the private sector in approaches to development problems, for the private sector was the people's sector, the field in which they showed beyond doubt what they could do for themselves. The private sector was not composed only of large multinational corporations; it also

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(Mr. Keyes, United States)

included family and co-operative farms, small merchants and entrepreneurs, people with ideas and initiative who, in many countries, were forced by excessive and inappropriate government interference to create their own opportunities through the black market. An article in the 15 August edition of the Wall Street Journal, had pointed out that, in one Latin American country, the informal sector accounted for an estimated 60 per cent of the economy and for two out of every three jobs.

33. The work of the United Nations should comprise encouraging and supporting the free initiative of the people, and providing assistance to people at the grassroots level; a noteworthy contribution could be made in the field of agricultural productivity and development, which was crucial to progress, indeed to survival, in the majority of least developed countries, where most of the population derived their living from the soil and lived the spectre of starvation. More specifically, the United Nations system might well concentrate its efforts on promoting development in that sector, with work other sectors made conditional upon progress in it.

34. With a clearer sense of fundamental goals, the Organization could strive to make better use of the resources available to it, including the available institutions for consideration of important development issues. It was not clear, for instance, why special conferences should be convened while existing bodies were being neglected at the same time that their revitalization was being discussed. The existing system was structured so as to provide the opportunity for one substantive conference on an annual basis; it also provided a mechanism for the necessary preparatory work. Consequently, before considering the convening of a conference on any subject, Member States had an obligation to ascertain whether the existing machinery could handle the issue and neither political cynicism and neglect on the part of Member States nor the partial ambition of some elements of the United Nations bureaucracy should prevent full use being made of it.

35. It was premature to speak of failure; it must be recognized that the United Nations system was passing through a period of critical reexamination and that confidence had been undermined by a lack of realism and a tendency to put politics ahead of progress and to measure effort in terms of inputs rather than concrete results. His Government was committed to the task of putting the Organization back on the path that would restore its self-confidence and justify the faith of the peoples of the world in its original ideals. It would require vision and courage for Governments to abandon their narrow political agendas and for the aspirations of the peoples to become paramount. The United Nations, and, particularly, its economic bodies could ensure that that goal was achieved. But it could do so only if all countries moved in directions that would allow those bodies to make useful contributions to the freedom and toil of men and women, which were the pearl of progress.

36. Mr. SIIWAL (Nepal) said that, as could be seen from the reports before the General Assembly and the statements of heads of delegations, the economic problems of developing countries were continuing and the hope that the economic recovery of certain countries would spread to all countries had been frustrated. Furthermore, factors beyond the control of developing countries, which impeded their growth and lessened the effectiveness of their adjustment and development policies, had become

(Mr. Silwal, Nepal)

more marked and, as a consequence, had increased domestic social and political tension. In that regard, the programme of immediate measures proposed by the Group of 77 and the non-aligned countries was a sound framework for coping with the cyclical aspects of that situation and it was particularly necessary to adopt measures designed to ensure the stability of financial markets, put an end to protectionist policies, and increase official development assistance.

37. Over the long term, there must be a genuine dialogue on the whole range of North-South issues so that they could be dealt with in an integrated manner. The lack of progress in the launching of global negotiations and in the review exercise of the International Development Strategy was regrettable. In that regard, his delegation supported the proposal to set up a group of experts in preparation for the mid-term review.

38. Nepal was preparing to begin a new five-year plan aimed at increasing production and employment opportunities and meeting the basic needs of the population. As was the case in the other least developed countries, the execution of that plan, which depended on the mobilization of domestic resources and international co-operation, was of vital importance. In that connection, he recalled that the international community had undertaken commitments under the Substantial New Programme of Action for the 1980s and, expressing solidarity with the least developed countries of Africa, he urged the donor countries and international agencies to come to their aid immediately.

39. Lastly, he expressed concern at the diminishing interest in multilateralism and stressed that the lack of support for multilateral agencies endangered both international co-operation and development itself.

40. Mr. AHMED (Pakistan) said that his delegation supported the statement made by the representative of the Group of 77 and, drawing the attention of the Committee to the analysis of the international economic situation and the proposals to overcome it contained in the Declaration of Foreign Ministers of Non-Aligned Countries, pointed out that the world economy was still suffering from the recession and that the gap between the developed and the developing countries had increased. Furthermore, aggravated by the deterioration in trade relations, high interest rates and an unprecedented external debt, among other factors, the current economic crisis had had a ruinous effect on the socio-economic systems of developing countries. There was, therefore, general agreement that urgent measures must be taken in order to avert a major political and social upheaval.

41. In spite of that situation and the results stemming from the lack of political will on the part of the industrialized countries to find solutions to the problems affecting the international economy, the North-South dialogue was at a complete standstill, which was particularly clear in the context of the current situation in Africa.

42. The fact that the Economic and Social Council had not been able to reach agreement on measures in favour of the African countries was all the more regrettable because the crisis, aggravated by natural disasters, unemployment and malnutrition, had spread to all sectors of the economy.

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(Mr. Ahmed, Pakistan)

43. The malfunctioning of the international economic system was also reflected in the increased external debt burden of the developing countries, which required that the creditor countries, international banks and international financial institutions should take direct and indirect measures to alleviate the debt burden.

44. With regard to the references made by certain delegations to a supposed economic recovery, he recognized that the economy of North America was showing signs of recovery, but pointed out that that recovery was based on high levels of unemployment, enormous budget deficits and high interest rates. Furthermore, it had not spread to all developed countries. In any case, the recovery of the developed countries would be meaningful only if it was accompanied by a change in attitude. In that connection, he recalled that the proposals for holding global negotiations, which were the basis for the proposals made by developing countries to ensure the viability of the concept of interdependence between developed and developing countries, were not being followed up because of the delaying tactics of certain developed countries.

45. Although it was the task of both developed and developing countries to promote equity and fairness in the international economic system, the gravity of the situation required an immediate positive response from the developed countries. For that reason, his delegation fully supported the view of the Secretary-General that the economic problems of impoverished peoples constituted not only a challenge to international conscience, but a threat to international stability as well and that if those problems were not addressed seriously and urgently, it would be impossible to confine them to the economics sphere alone.

46. Referring to the statement by the United States, he expressed regret that the attitude of the Government of the country whose recovery had been the strongest, had not been more positive and wondered whether the time had come to study the possibility of strengthening the capacity of the United Nations to implement the provisions of chapters IX and X of the Charter.

47. Mr. ORLANDO (United States of America), speaking in exercise of the right of reply, referred, in connection with the statement made by the representative of Czechoslovakia, to information on assistance from CMEA countries contained in the report of the Development Assistance Committee of OECD. According to that report, the volume of CMEA assistance had been characterized by stagnation in nominal terms and a reduction in real terms. The total net disbursements of CMEA countries had remained at the level of \$2,400 million and 0.14 per cent of GNP; the Soviet Union had contributed three fourths of that total and it was probable that its share would further increase in the future. CMEA assistance, moreover, had been concentrated on a few recipient countries. Afghanistan, Cuba, Kampuchea, Laos and Viet Nam had received 87 per cent of total net disbursements. The net assistance of CMEA countries to non-communist countries had been negative in 1982.

48. The statement by the representative of Venezuela had failed to address the reasons for the present economic situation. It was 10 years since the new international economic order had been proclaimed, but it was also 10 years since the price of petroleum had been driven sky high by an economic cartel, causing widespread inflation and forcing most non-oil producing developing countries to mortgage their future.

(Mr. Orlando, United States)

49. The United States had led the fight against inflation, a fight which had not been without sacrifices for its people. Those efforts were now paying off in the form of economic recovery. The United States did not believe that the recovery was going to spread automatically to other countries; however, countries must adopt policies which encouraged economic growth.

50. In conclusion, he called on those countries which were experiencing economic difficulties to face up to the facts and not to revert to simplistic explanations for their problems.

51. Mr. DIETZE (German Democratic Republic), speaking on a point of order, asked whether, in presenting his statistics, the representative of the United States had been speaking on behalf of the United States or of OECD.

52. Mr. PLECHKO (Union of Soviet Socialist Republics), speaking in exercise of the right of reply, recalled that at the previous session the United States representative had made provocative statements and that members of the Group of 77 and other countries, including his own, had refrained from responding to such provocation and had chosen to wait and see where United States policy would lead. It was now clear why the United States representative had made no mention in his statement of the establishment of a new international economic order, global negotiations, the need to implement the International Development Strategy or the need to conclude a code of conduct for transnational corporations, all of them uncomfortable topics for the United States.

53. The United States representative had said that, in future, his Government's assistance would go to peoples rather than Governments and that its future economic activity within the United Nations would be conducted on that basis. He wished to recall that the United Nations was made up of sovereign States and that Governments were represented in it.

54. The United States representative had sought to measure Soviet assistance in dollars. Assistance was not measured only in monetary terms but also, for instance, by the training of administrators. The era of the great colonial empires was over; the peoples of the world were no longer slaves and they were no longer asking only for bread.

55. Mr. WORKU (Ethiopia), speaking in exercise of the right of reply, observed that the United States representative accused others of politicizing the debate yet was using the United Nations as a platform for its own political views. The current United States Government provided no economic assistance to Ethiopia and was loath to offer it humanitarian assistance. Finally, Ethiopia was no State's protégé.

56. Mr. KEYES (United States of America), speaking in exercise of the right of reply, said that his Government would continue to support the substantive activities of the United Nations as long as they were conducted properly, and called on other delegations to co-operate in correcting possible errors. Governments must serve their peoples and the latter's aspirations must come first.

57. Mr. RESHETNYAK (Ukrainian Soviet Socialist Republic), speaking in exercise of the right of reply, said that the United States representative had referred to the assistance provided by CMEA countries and that he wished to refer to the assistance provided by the United States. To that end, he cited an Egyptian publication which criticized United States aid to Egypt on the grounds that such aid was tied and designed to serve the narrow interests of United States policy.

58. Mr. PLECHKO (Union of Soviet Socialist Republics), speaking in exercise of the right of reply, referred to the comment by the United States representative that Governments must serve their peoples. He wondered in what way the United States Government served its people. He cited an article which had appeared in The New York Times of 3 June 1984 and which reproduced United States Census Bureau statistics indicating that the number of people living below the official poverty level in the United States was greater than in 1965, the year in which the "war on poverty" had been declared, and that, just between 1982 and the present time, the numbers of the officially poor had increased from around 34 millions to over 35 millions.

59. Mr. DOMINGUEZ (Mexico), speaking in exercise of the right of reply, said that the tone and content of the statement by the United States representative were regrettable.

60. In 1983, when the representative of Mexico had been Chairman of the Group of 77, a number of developed countries and one in particular had done everything possible to obstruct the global negotiations.

61. The United States representative had said that, in future, his Government's assistance would go to peoples. He wished to recall that Governments were represented in the United Nations and that they were not there to serve private individuals. He wondered what private interests the United States representative was serving.

62. Mr. ZAPOTOCKY (Czechoslovakia), speaking in exercise of the right of reply, said that in his statement he had simply wished to point out that United States official development assistance amounted to less than the profits reaped by United States direct investment in developing countries. He had done so in order to show that United States development assistance had its other side, which must also be taken into account. Just because he had used OECD statistics did not mean that he agreed with all OECD data. In the case of developing countries, such data were clearly incorrect. According to the latest estimates, Czechoslovakia had devoted 0.78 per cent of its national income to development assistance, a completely different percentage from that given by OECD. He none the less trusted that OECD statistics were at least valid for Western countries.

63. The CHAIRMAN, speaking on a point of order raised by the representative of the German Democratic Republic, said that any delegation could of course quote sources in support of its arguments. He suggested, however, that when most delegates were familiar with the source in question, quotations should be kept to a minimum in order to save time. It was also his understanding that, although the list of speakers had been closed a number of days previously, there was a consensus in the

(The Chairman)

Committee that the delegations of United Arab Emirates, Syrian Arab Republic, Lao People's Democratic Republic and the Dominican Republic should be included in that list for the following Monday.

64. It was so decided.

The meeting rose at 5.50 p.m.