

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS, 1982

PLENARY MEETINGS

VOLUME II

*Summary records of the meetings held during
the second regular session of 1982 and the
resumed second regular session of 1982*



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UNITED NATIONS

New York, 1983

NOTE

The *Official Records of the Economic and Social Council, 1982* consist of the summary records of *Plenary Meetings* (volumes I and II), incorporating corrections requested by delegations and any necessary editorial modifications, the *Supplements* (Nos. 1-12) and the *Lists of Delegations*.

The present volume contains the summary records of the plenary meetings held by the Council during the second regular session of 1982 (Geneva, 7-30 July 1982) and the resumed second regular session of 1982 (New York, 25 October-11 November 1982).

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Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions	ITC	International Trade Centre UNCTAD/GATT
ACC	Administrative Committee on Co-ordination	ITU	International Telecommunication Union
ASEAN	Association of South-East Asian Nations	NATO	North Atlantic Treaty Organization
CMEA	Council for Mutual Economic Assistance	OAU	Organization of African Unity
CPC	Committee for Programme and Co-ordination	OECD	Organisation for Economic Co-operation and Development
ECA	Economic Commission for Africa	OPEC	Organization of Petroleum-Exporting Countries
ECE	Economic Commission for Europe	PLO	Palestine Liberation Organization
ECLA	Economic Commission for Latin America	SDR(s)	special drawing rights
ECWA	Economic Commission for Western Asia	SWAPO	South West Africa People's Organization
ESCAP	Economic and Social Commission for Asia and the Pacific	UNCTAD	United Nations Conference on Trade and Development
FAO	Food and Agriculture Organization of the United Nations	UNDP	United Nations Development Programme
GATT	General Agreement on Tariffs and Trade	UNEP	United Nations Environment Programme
GDP	gross domestic product	UNESCO	United Nations Educational, Scientific and Cultural Organization
GNP	gross national product	UNFPA	United Nations Fund for Population Activities
ICC	International Chamber of Commerce	UNHCR	Office of the United Nations High Commissioner for Refugees
ICRC	International Committee of the Red Cross	UNICEF	United Nations Children's Fund
IDA	International Development Association	UNIDO	United Nations Industrial Development Organization
IFAD	International Fund for Agricultural Development	UNITAR	United Nations Institute for Training and Research
IFC	International Finance Corporation	WFP	World Food Programme
ILO	International Labour Organisation	WHO	World Health Organization
IMF	International Monetary Fund	WIPO	World Intellectual Property Organization
IMO	International Maritime Organization		
IOB	Inter-Organization Board for Information Systems and Related Activities		
IPF	indicative planning figure		

AGENDA OF THE SECOND REGULAR SESSION OF 1982

Adopted by the Council at its 30th meeting, on 7 July 1982

1. Opening of the session.
2. Adoption of the agenda and other organizational matters.
3. General discussion of international economic and social policy, including regional and sectoral developments.
4. Special economic, humanitarian and disaster relief assistance.
5. Report of the United Nations High Commissioner for Refugees.
6. Human rights questions.
7. Revitalization of the Economic and Social Council.
8. Convening of an International Conference on Population in 1984.⁷
9. Regional co-operation.⁸
10. Public administration and finance matters.
11. Transport and Communications Decade in Africa.
12. Special measures for the social and economic development of Africa in the 1980s.
13. International co-operation in the field of human settlements.
14. Food problems.
15. International co-operation on the environment.
16. Industrial development co-operation.
17. Science and technology for development.
18. New and renewable sources of energy: implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy.
19. Operational activities.
20. International co-operation and co-ordination within the United Nations system.⁹
21. Proposed medium-term plan.
22. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.
23. Assistance to the oppressed people of South Africa and their national liberation movement by agencies and institutions within the United Nations system.
24. Implementation of the medium-term and long-term recovery and rehabilitation programme in the Sudano-Sahelian region.
25. Transnational corporations.¹⁰
26. Trade and development.
27. International Covenant on Civil and Political Rights.
28. United Nations University.
29. Nominations and elections.¹¹

Reports brought to the attention of the Council

Reports of the Joint Inspection Unit

Report of the Administrative Committee on Co-ordination on expenditures of the United Nations system in relation to programmes

⁷Item for consideration at the resumed second regular session of 1982

CHECK-LIST OF DOCUMENTS

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E/1982/15 and Corr. 1 and 2	Report of the Committee for Development Planning on its eighteenth session	3	<i>Official Records of the Economic and Social Council, 1982, Supplement No. 5 and corrigenda</i>
E/1982/16	Report of the Governing Council of UNDP for the year 1982 (organizational meeting, special meeting and twenty-ninth session)	19	For the final text, see <i>Official Records of the Economic and Social Council, 1982, Supplement No. 6 (E/1982/16/Rev. 1)</i>
E/1982/17	Report of the Executive Board of UNICEF	19	<i>Official Records of the Economic and Social Council, 1982, Supplement No. 7</i>
E/1982/19	Annual report of ECE	9	<i>Ibid., Supplement No. 9</i>
E/1982/20	Annual report of ESCAP	9	<i>Ibid., Supplement No. 10</i>
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E/1982/29 and Corr. 1	Report of the United Nations High Commissioner for Refugees	5	For the final text, see <i>Official Records of the General Assembly, Thirty-seventh session, Supplement No. 12 (A/37/12)</i>
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E/1982/83	Expansion of the conference facilities of ECA at Addis Ababa, preliminary report of the Secretary-General	9	
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E/1982/108	Letter dated 16 July 1982 addressed to the President of the Economic and Social Council by the Permanent Representative of Democratic Kampuchea to the United Nations Office and the specialized agencies at Geneva		
E/1982/109	Summary of estimates of programme budget implications of resolutions and decisions adopted by the Economic and Social Council during its first and second regular sessions of 1982—report of the Secretary-General		
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E/1982/C 1/L 3	International centre for public accounting and auditing—Austria, Bangladesh, Canada, China, India, Kenya, Nepal, Pakistan, Peru and Sri Lanka—draft resolution	10	

<i>Document No</i>	<i>Title or description</i>	<i>Agenda item</i>	<i>Observations and references</i>
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E/1982/C 1/L 5	Draft resolution submitted by Algeria on behalf of States members of the Group of 77	13	
E/1982/C 1/L 6	International centre for public accounting and auditing: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C 1/L 3	10	
E/1982/C 1/L 7	Public administration and finance for development: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C 1/L 4	10	
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E/1982/C 1/L 9	Caribbean Development and Co-operation Committee of ECLA—Bahamas, Colombia, Jamaica, Saint Lucia and Trinidad and Tobago: draft resolution	9	
F/1982/C 1/L 10	International co-operation in tax matters: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C 1/L 2	10	
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E/1982/C 1/L 12	International assistance to the flood-stricken areas of Democratic Yemen—Algeria, Bangladesh, Benin, Cuba, Ethiopia, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Nepal, Pakistan, Qatar, Sudan, Tunisia, Yemen and Zambia: draft resolution	9	
E/1982/C 1/L 13	Particular problems facing Zaïre with regard to transport, transit and access to foreign markets—Benin, Egypt, Ethiopia, Kenya, Liberia, Mali, Morocco, Nepal, Nigeria, United Republic of Cameroon, Yugoslavia and Zaïre: draft resolution	9	
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E/1982/C 1/L 16	Expansion of the conference facilities of ECA at Addis Ababa—Algeria, Benin, Egypt, Ethiopia, Kenya, Liberia, Malawi, Mali, Morocco, Nigeria, Sudan, Swaziland, Tunisia, United Republic of Tanzania, and Zaïre: draft resolution	9	
F/1982/C 1/L 17	Europe–Africa permanent link through the Strait of Gibraltar—Programme budget implications of draft resolution E/1982/C 1/L 8: statement submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Economic and Social Council	9	
E/1982/C 1/L 18	Particular problems facing Zaïre with regard to transport, transit and access to foreign markets—Programme budget implications of draft resolution E/1982/C 1/L 13: statement submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Economic and Social Council	9	
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<i>Document No</i>	<i>Title or description</i>	<i>Agenda item</i>	<i>Observations and references</i>
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E/1982/C.1/L.22	Draft resolution submitted by Algeria on behalf of States members of the Group of 77	16	
E/1982/C.1/L.23	Europe-Africa permanent link through the Strait of Gibraltar: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C.1/L.8	9	
E/1982/C.1/L.24	Caribbean Development and Co-operation Committee of ECLA: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C.1/L.9	9	
E/1982/C.1/L.25	International assistance to the flood-stricken areas of Democratic Yemen: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C.1/L.12	9	
E/1982/C.1/L.26	Expansion of the conference facilities of ECA at Addis Ababa: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1981/C.1/L.16	9	
E/1982/C.1/L.26/Rev.1	<i>Idem.</i> revised draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C.1/L.16	9	
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E/1982/C.1/L.30	Regional programming, operations, restructuring and decentralization issues with respect to ECA: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C.1/L.21	9	
E/1982/C.1/L.31	Financing of the Multinational Programming and Operational Centres of ECA on an established basis: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C.1/L.20	9	
E/1982/C.1/L.32	Particular problems facing Zaire with regard to transport, transit and access to foreign markets: draft resolution submitted by the Vice-Chairman of the First (Economic) Committee on the basis of informal consultations held on draft resolution E/1982/C.1/L.13	9	
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E/1982/C.3/L.4	Report of ACC on the strengthening of the co-ordination of information systems in the United Nations system: draft decision submitted by the Chairman of the Third (Programme and Co-ordination) Committee	20	
E/1982/C.3/L.5	Algeria, Bahamas, Bangladesh, Benin, Cuba, Egypt, Ethiopia, India, Iraq, Jordan, Kenya, Liberia, Libyan Arab Jamahiriya, Nepal, Nigeria, Pakistan, Qatar, Saint Lucia, Senegal, Sudan, Swaziland, Trinidad and Tobago, Tunisia, Venezuela, Yugoslavia and Zaire: draft resolution	22 and 23	
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E/1982/L 45	Identification of the least developed among the developing countries: draft resolution submitted by Algeria on behalf of States members of the Group of 77	3	
E/1982/L 46	Protection against harmful or potentially harmful products—Algeria, Argentina, Bangladesh, Cuba, Kenya, Nigeria, Pakistan, Peru, Sudan and Venezuela: draft resolution	3	
E/1982/L 47	Long-term trends in world economic and social development: draft resolution submitted by Algeria on behalf of States members of the Group of 77	3	
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E/1982/L 51	Economic measures as means of political and economic coercion against developing countries—Argentina, Brazil, Cuba, Nicaragua, Peru, Venezuela: draft resolution	3	
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E/1982/NGO/2	The importance of international co-operation in savings and development: statement submitted by the International Savings Bank Institute, a non-governmental organization in consultative status, category II	3	
E/1982/NGO/3	International economic co-operation: statement submitted by the World Federation of United Nations Associations, a non-governmental organization in consultative status, category I	3	
E/1982/NGO/4	Participation of women in development: statement submitted by the International Federation of University Women and Soroptimist International, non-governmental organizations in consultative status, category II	19	
E/1982/SR 30-51	Provisional summary records of the plenary meetings held by the Council during its second regular session of 1982		The final texts of the records are to be found in the present volume
HS/C/5/5	International Year of Shelter for the Homeless, report of the Executive Director of the United Nations Centre for Human Settlements (Habitat)	13	
ID/B/288	Report of the Permanent Committee of UNIDO on the work of its seventeenth session	16	
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E/1982/18	Report of the Commission on Transnational Corporations on its eighth session (30 August–10 September 1982)	25	<i>Official Records of the Economic and Social Council, 1982, Supplement No 8</i>
E/1982/18/Add 1 and Corr 1	Programme budget implications of draft resolutions contained in chapter I of the report of the Commission on Transnational Corporations on its eighth session: statement submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Economic and Social Council	25	
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E/1982/L.56	Strengthening of the co-ordination of information systems in the United Nations system: note by the Secretariat	20	
E/1982/SR.52-58	Provisional summary records of the plenary meetings held by the Council during its resumed second regular session of 1982		The final texts of the records are to be found in the present volume

ECONOMIC AND SOCIAL COUNCIL

SECOND REGULAR SESSION, 1982

Summary records of the meetings held at Geneva from 7 to 30 July 1982

30th meeting

Wednesday, 7 July 1982, at 3.20 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.30

ITEM 1 OF THE PROVISIONAL AGENDA

Opening of the session

1. The PRESIDENT declared open the second regular session of 1982 of the Economic and Social Council.

Statement by the President of the Economic and Social Council

2. The PRESIDENT said that the Council, in its traditional assessment of the world economic and social situation, could not ignore the overall political situation. The deterioration in international relations was a reflection in some measure of rising tension, but much more of the persistent crisis in the post-war system, which was slow in adapting itself to new realities and was thus widening the contradictions between old relations and new needs. Recourse to force was more frequent than co-operation, and outdated formulas were suggested more often than new answers, which exacerbated the already acute economic problems and gave rise to uncertainty about the future. The arms race, long-standing rivalries and relations based on the balance of force were contrary to the growing aspirations of peoples for peaceful and equitable relations, based on sovereignty and the will to harmonize internal and foreign relations with national and social interests—aspirations which constituted a strong lever for progress.

3. It was clear that the existing inequitable relations were being irrevocably transformed; world crises stemmed chiefly from the resistance shown by those who saw change as a threat to their narrow interests rather than an opportunity to establish political and economic relations which would secure for every country an equit-

able role in the international community. In a world of growing interdependence, no one could be self-sufficient; co-operation was essential, for on it depended not only development but survival. At the current turning-point in international relations, common solutions must be sought through common efforts—otherwise, the consequences would be unforeseeable.

4. The world economic crisis was worsening and no end to it was in sight. No country had been spared by the recession, and the old international economic relations were changing unacceptably slowly or not at all. The *World Economic Survey 1981-1982: Current Trends in the World Economy*, the report of the Committee for Development Planning (E/1982/15 and Corr. 1 and 2) and other documents before the Council gave no grounds for optimism. Economic growth was at the lowest level since the Second World War, world trade was stagnating and, for the first time, the developing countries were seeing their *per capita* production decrease.

5. The difficulties were being felt most acutely in the developing countries, particularly the least developed. The extent of their problems called for global solutions, since the problems were not only economic or humanitarian but, above all, political, influencing all fields of international relations. Those countries were the ones paying the highest price for adjustment. It could not be overlooked that developed countries, particularly those predominant in the world economy, were adopting internal economic policies heedless of their consequences for the developing countries; that focus by some developed countries on their own problems was threatening the pattern of international economic and development co-operation. Any subordination of the role of existing multilateral co-operation institutions to bilateral approaches would have serious negative consequences;

the United Nations system provided the proper forums for solving international economic problems. Isolated efforts had hitherto been ineffective and would be even more so in the future; experience had shown that partial and unilateral measures could not replace global action in dealing with the problems faced by the world economy. The institutions for multilateral co-operation which had worked successfully during the past decades, although slowly and inadequately at times, should be adjusted to new requirements. The specialized agencies had made constructive efforts to face new challenges, despite resistance and difficulties; if their efforts were to be more successful, political support and assistance from Governments were indispensable. In the process, the agencies must continue to evolve so as to reflect the growing desire for the full democratization of international relations and the consequent adjustment of their decision-making processes.

6. In that context, the impasse in the dialogue between the developed and developing countries must be overcome, and the process of negotiation opened, with a view to solving the accumulated economic problems and achieving the faster development of developing countries. Negotiations could succeed and show prospects only if they served the common interests of all countries. The developing countries' strategy of self-reliance was neither contrary to nor a substitute for normal co-operation; those countries did not seek to redistribute existing wealth but to create conditions in which they could develop their material and human potential so as to contribute to the world's wealth and to international peace and security. Thus, the endeavours of the non-aligned and the developing countries in demanding the establishment of a new international economic order deserved the full support of the entire international community.

7. The Council now had an opportunity to focus on action, at its current session and subsequently in the General Assembly and throughout the United Nations system, to end the world economic crisis and promote the developing countries' progress, by seeking solutions to the many problems—such as inflation, unemployment, balance-of-payments difficulties, debts, food and energy—whose gravity made any postponement of their solution unacceptable. The Council should seek a common basis for new ideas aiming to combine national and international measures to promote multilateral co-operation. Such an approach would help considerably to revitalize the Council, which must be able to contribute effectively to solving major economic problems, thus strengthening its role within the United Nations system, and must become the forum not only for discussion but for specific recommendations, through the rationalization of its work and attention to priorities and improved co-operation.

8. The Council was meeting at a time of growing crisis and contradiction. There was, however, some room for hope, and expectations had become more realistic,

although caution had to be observed. The Council would have a very important role with regard to future possibilities, as the United Nations body which not only analysed issues but indicated the action required. Although the Council itself might not be under the world's gaze, the United Nations was, and it was often exposed to criticism—mostly unjustified, since it could do only what the Governments of Member States allowed. The Organization should amend the style of its approach and the way in which it dealt with problems, in a constructive manner and not simply in order to defend itself, and the Council could and should contribute to that change, as a major organ which, *inter alia*, co-ordinated crucial United Nations activities.

Statement by the Secretary-General of the United Nations

9. The SECRETARY-GENERAL expressed his deep concern at the current trends in the world economy and his conviction that concerted international action aimed at a broad economic recovery was urgently needed. The slowdown in economic growth was the most prolonged and pervasive of the post-war period and, as described in the *World Economic Survey 1981-1982*, was affecting all major regions and groups of countries regardless of development level or economic structure.

10. Recent years had been particularly disruptive for the developing countries, which now faced acute balance-of-payments pressures and had adopted drastic adjustment programmes, further contracting their growth; most disturbingly, the *per capita* real income of the developing countries as a whole was declining in absolute terms for the first time since the late 1950s. It was perhaps not fully appreciated what such a decline meant to countries already burdened with extreme poverty, malnutrition and massive underemployment, or what investment cuts and disrupted development programmes and plans meant for their economies. The enormous difficulties faced in such countries were tolerable only so long as there was hope for the future; the dangers arising from the loss of such hope should not be underestimated.

11. Even in developed countries, which had mechanisms to cushion the effects of economic setbacks, the impact of prolonged large-scale unemployment—already higher than at any time since the 1930s—was severe; the incalculable effects of declining social morale could not be assessed by conventional economic analysis. The social and political tensions arising from such developments had already led to political instability and international conflict, and would continue to do so. Ironically, the armaments industry was one of the few expanding industries in a period of economic depression.

12. As was stated in the International Development Strategy for the Third United Nations Development Decade, the ultimate aim of development was the constant improvement of the well-being of the entire population. Any substantial improvement in that direction required, in particular, accelerated investment, training and education, expanded research and develop-

ment and the development of entrepreneurship to take advantage of opportunities for economic progress. But the entrepreneurial spirit, whether in private, State or co-operative enterprises, required an expanding economy, which would in turn enhance government revenues for the provision of essential social services.

13. Many countries, industrialized and developing, still had to face profound adjustments in their economies, necessitated by far-reaching changes in the market structure in major sectors of world trade, technological innovations—notably in telecommunications and data processing—enormous shifts in relative prices, particularly those of energy, and the resultant unprecedented payments imbalances. Such adjustments were clearly harder to make in times of stagnation than in times of expansion. But no end to stagnation could be foreseen if current policies continued. Despite repeated predictions of an early recovery, few now expected adequate recovery in the near future; at worst, the possibility of a world recession on a scale not seen since the 1930s could not be excluded. In those circumstances, a sustained resurgence of growth must be brought about by new departures in policy.

14. Owing to the degree of international economic interdependence, few countries could accelerate their growth in isolation while the major economic policy trend in the world remained one of contraction. A co-ordinated world recovery programme should therefore be developed, incorporating, as an integral element, efforts to redress the excessive burden placed by the current crisis on the developing countries, particularly the least developed, and on other structurally disadvantaged countries. The provision of additional support to those countries should begin immediately and not wait for the recovery process to start.

15. Despite growing awareness of the need for economic recovery, direct action was being thwarted by the fear of resurgent inflation; extreme reliance was being placed on economic contraction as an anti-inflation strategy. Although the battle against inflation should clearly continue, the issue should be rather the means employed to fight it, since measures to promote recovery could not be deferred indefinitely. The solution of inflation problems was as much political as it was technical, since the underlying problems were political. At the national and international levels, there were times when economic burdens had to be borne by the community at large, and in the absence of social and political consensus about the most equitable way of sharing those burdens, inflation became difficult to avoid. Each social group or country with the requisite power was tempted to avoid sharing the burden by raising its own monetary income, and the resultant competitive cost-price spiral was hard to stop.

16. Current policies thus acted to cure inflation by so dampening economic activity as to deprive groups of effective power over their monetary incomes. The strategy seemed to be showing some results, since the inflation rate in some major industrialized countries was falling. However, expectations of inflation were said to be

continuing, and it was intended to maintain existing policies until they ended. In the meantime, it was growth expectations that were not being realized. A consensus was needed, therefore, within and among countries, as to the way in which economic burdens should be shared and benefits distributed.

17. At the national level, greater consensus would remove the need for excessive reliance on monetary policy, which had resulted in the current damagingly high real interest rates. Explicit political decisions could then be made more easily on the level and content of Government spending and its financing and on measures aimed at the correction of structural sources of inflation, so as to rely less exclusively on monetary policy instruments. At the same time, income policies could provide a means of implementing a social consensus. At the international level, what was required was to achieve a sufficient harmonization of economic policies.

18. He was not underestimating the difficulties in developing such policies, but there appeared to be no real alternative for coping with inflation without plunging the world economy into a deep recession. It was therefore worth while to make every effort to overcome the difficulties which those policies certainly involved.

19. Various measures might form part of the kind of programme he was advocating. In that connection, he wished to draw the Council's attention to some of the main features of the recommendations made by the Committee for Development Planning in its report to the Council (E/1982/15 and Corr. 1 and 2).

20. Firstly, there was a need for a decisive change in the direction of national and international policies in order to bring about sustained world economic expansion, taking account of the particular circumstances of individual countries. The fight against inflation should continue with the use of anti-inflationary measures compatible with increasing investment. A major objective in that context would be to achieve an interest rate reduction as a means of promoting investment growth and international financial stability.

21. Secondly, the international trading system should be as open as possible, and the recent moves towards protectionism must therefore be reversed. One of the outstanding successes of the 1970s had been the growth in exports of manufactures from developing countries, and that process should not be allowed to founder. Tendencies towards increased agricultural protectionism should also be resisted. It was important to reaffirm the validity of the multilateral approach to the solution of trade problems and to halt the process whereby a large and growing segment of world trade was subject to restriction, often on a bilateral basis, in violation of the rules of GATT.

22. Thirdly, the revival and stabilization of international commodity markets was essential. The immediate effect of a resurgence of world economic growth would be a recovery in world demand for imports, but, in order to ensure the correction of excessive price fluctuations and related income fluctuations, the Integrated Programme for Commodities should be

supported, as well as the special financing facilities in that field. Commodity exports were important for all developing countries but were crucial for the least developed countries and other low-income countries whose economies were relatively undiversified.

23. Fourthly, the flow of capital and technology to the developing countries should be stepped up. The private sector had an important contribution to make in that field. However, current trends in the flow of official development assistance must be improved, particularly if the requirements of low-income countries and the least developed countries were taken into account. Public and private capital flows should be regarded, in broad terms, as complementary, and not as competitive. It was most disappointing to note that, in the current fiscal year, IDA commitments had had to be cut by more than 30 per cent, the cuts affecting most seriously the poorest nations in South Asia and Sub-Saharan Africa, and that contributions to UNDP had fallen by almost 25 per cent in real terms between 1980 and 1982. As Chairman of ACC, and speaking on behalf of the executive heads of the specialized agencies, he urged that prompt action should be taken to re-establish at a sufficiently high level the financial resources of IDA, UNDP and other multilateral financial institutions.

24. Fifthly, international monetary co-operation should create conditions in which the forces for economic development could realize their full potential. Although IMF was not a development assistance institution, its activities were intended to create a stable environment for the development process, among other things by facilitating appropriate balance-of-payments adjustments and by promoting greater international monetary stability and equilibrium. In the present circumstances, that called for extended and liberalized balance-of-payments support for the developing countries, for some of which the payments position required adjustment at a very rapid rate, entailing a high social cost. Such adjustment efforts took place in a situation in which the external liquidity position of many developing countries had become highly precarious. In order to manage overall international liquidity more effectively, IMF members had committed themselves to making special drawing rights the principal reserve asset in the international monetary system; yet they seemed willing to allow the role of the SDRs in international liquidity to wither. New allocations of SDRs were justified, and, as the Committee for Development Planning had pointed out, no convincing case could be made that such SDR allocations would be inflationary.

25. In addition to the overall international economic policy measures which he had just outlined, there were two long-term structural areas—those of food and energy—that called for more vigorous and sustained action.

26. Food production was a vital sector in which recent trends gave some grounds for encouragement. In 1981, global food production had risen by 3 per cent, and thus the average rate of increase for the preceding decade had been exceeded. The advance had been most conspicuous in some of the countries in which it was most needed,

particularly in South Asia. The situation had unfortunately been much less favourable in Africa, where the downward per capita trend of the 1970s had persisted in 1981. It was vital that the plans of food-deficit countries for developing greater self-sufficiency in food should receive strong international support, including an adequate volume of food aid which, if used in a way that did not conflict with domestic production incentives, would be vitally important in fighting hunger and malnutrition.

27. There was also a continuing world food security problem resulting from the fact that the annual requirements of the major net importing countries were difficult to predict, while the contractual arrangements between those countries and the major exporters tended to absorb a large share of tradeable products, thereby creating serious adjustment problems for marginal importers in times of general shortage. Those matters had recently been discussed in appropriate forums, and in particular at the eighth ministerial session of the World Food Council. Action in that field was urgently needed.

28. So far as the energy problem was concerned, efforts to achieve an orderly transition must not be relaxed because of periodic fluctuations in the oil market. The recent slackening in the oil market reflected some degree of structural adjustment by consumers to previous price increases and the more temporary effects of the current world recession, but any sustained recovery of the world economy would bring about a substantial increase in the demand for energy, particularly oil, as would a stepping-up of development in the third world.

29. Despite the experience of the past decade, world energy development remained generally inadequate and unbalanced in distribution. The share of Africa, Asia and Latin America in world efforts in energy exploration still represented only a small fraction of their share in world energy production potential. Exploration was, of course, extremely costly, and commercial and non-commercial risks had been an obstacle to the deployment of adequate exploratory resources in the third world. International arrangements to deal with the problem, either through the establishment of an energy affiliate of the World Bank or by some other means, therefore deserved high priority in current intergovernmental discussions.

30. A world recovery programme should recognize fully the need for and the possibility of intensifying sub-regional, regional and interregional co-operation among the developing countries. Specific action at the various levels in such areas as the creation of transport and communication infrastructures, the promotion of research and training centres and of joint industrial projects, and the development of preferential trade systems would help the countries concerned to accelerate their development process and to achieve greater self-reliance. The necessary initiatives had to be taken by interested countries themselves, and in that context he welcomed the impetus the developing countries had given at the High-level Conference on Economic Co-operation among Developing Countries, held at Caracas in 1981, to the process of South-South co-operation. Those efforts

should receive the support of the United Nations system, and he stressed the contribution that could be made by the regional commissions, which had shown considerable vitality in the effective formulation and implementation of regional and interregional projects and programmes.

31. The issues he was raising were not new; most of them had been on the agenda of international meetings for some time. It might therefore be wondered whether an economic recovery programme on such lines was too ambitious a goal for the international community at a time when international co-operation was on the decline, when frequent criticism was voiced of the shortcomings of multilateral institutions, particularly the United Nations, and when no consensus had been reached on the launching of a process of global negotiations, the desirability of which was periodically reaffirmed by the leaders of the various groups of countries.

32. While it was true that knowing what needed to be done and having the capacity to do it were two different things, and that Governments and international institutions were confronted with unprecedented problems, matters must be brought back into proper perspective, and the very real achievements in international co-operation during the past 25 years or so must not be overlooked. An outstanding example was the enormous increase in the volume of world trade during the 1950s and 1960s, which had been brought about by a co-operative effort making possible a considerable easing of trade restrictions, together with a general business expansion. While the developing countries had not benefited as much as might have been hoped from the process of general trade liberalization, the preferential treatment accorded by industrialized countries to imports of manufactures from developing countries clearly demonstrated the potential for co-operation in that field.

33. A further example of successful international co-operation concerned the flow of capital and technology to developing countries. There was much controversy in that connection, and it was quite natural that there should be. When resources were limited, it was essential that they should be used as wisely as possible. Moreover, there was no doubt that many mistakes had been made in that field, as in all other fields of human endeavour. There were particularly strong grounds for concern whenever there was reason to believe, as there sometimes was, that resources were being misused or wasted or that the inflow of capital or technology from abroad was tending to weaken, rather than strengthen, domestic capabilities. Equally, however, there could be no doubt that, on balance, bilateral and multilateral resources had helped to sustain world development and that a major increase in such resources could transform the world economic and political situation.

34. He continued to believe that global negotiations within the United Nations system could provide the appropriate institutional framework to develop a programme for such co-operation, which should incorporate co-ordinated action in various important fields. Unfortunately, the recent consultations in New York had not led to any agreement enabling a conference to be

convened in the near future. He urgently appealed to member States to ensure that the renewed efforts to be made before the thirty-seventh session of the General Assembly succeeded in producing a final agreement.

35. Regardless of the timetable for such negotiations, it was essential to tackle the problems of world economic recovery as early as possible. There were a number of bodies in the United Nations system in which Governments could concert their policies in the various areas, with a view to restoring confidence in the future and making the course of events more predictable. Advantage should certainly be taken of the ministerial meeting of GATT to be held in November 1982, of the sixth session of the United Nations Conference on Trade and Development and of the preparatory meetings of the Trade and Development Board. Likewise, IMF, the World Bank and the regional development banks had to consider as soon as possible how they could expand and adapt their activities so as to support a programme of world economic recovery.

36. He was also convinced that the discussions to be held at the current session of the Economic and Social Council and later in the General Assembly could help to clarify the issues, to identify areas of possible agreement and to provide the necessary political impetus.

37. The Council certainly had an important role to play in that difficult task. He wished to pay a special tribute to the President of the Economic and Social Council for the part he had played, and for his dedication and leadership in endeavouring to revitalize the Council so that it could effectively discharge its responsibilities under the Charter of the United Nations.

38. As had been seen in the 1930s, a world in a state of economic depression was a world in danger. Although the current situation was less extreme than it had then been, the flagging spirit of international economic co-operation, as in the 1930s, reflected tensions in international political affairs. In recent years, there had been a disturbing and increasingly frequent tendency for nations to try to settle disputes by force. The recent massive popular demonstrations had shown that fear of a world conflict had become more widespread and intense.

39. However, while the arms build-up continued, there were also indications of a willingness to enter into negotiations aimed at arms control and reduction.

40. Since the Second World War, people had become accustomed to increasing material progress, and the hope of seeing a world without war had gradually strengthened. The recent threats to both those aspirations had been sufficiently alarming to stimulate an urgent search for solutions. It was in that spirit that he had sought to stimulate discussion of a concerted programme for world economic recovery. He appealed to delegations and their Governments to consider, improve upon and begin to act on such a programme.

41. The PRESIDENT expressed appreciation to the Secretary-General for his comprehensive statement and for his personal interest in and support for the work of the Economic and Social Council, and conveyed to him the

Council's best wishes for success in carrying out his important and challenging tasks.

ITEM 2 OF THE PROVISIONAL AGENDA
Adoption of the agenda and other organizational matters
(E/1982/100, E/1982/L.40)

42. The PRESIDENT invited the Council to consider the provisional agenda (E/1982/100) and the note by the Secretariat containing the report on the state of preparedness of documentation for the session (E/1982/L.40).

43. Mr. SEVAN (Secretary of the Council) said that, despite the difficulties involved, which included a heavy schedule of meetings during April, May and June, in addition to the twelfth special session of the General Assembly (second special session devoted to disarmament), the Secretariat had made a concerted effort to issue the bulk of the Council's documentation in all the working languages in time for the current session. Most of the documents which had not yet been issued concerned reports of intergovernmental bodies that had only recently concluded their work. Even in the issue of those reports, there had been impressive progress.

44. Referring to document E/1982/L.40, he provided a detailed report on the status of documentation. He emphasized that no document had been distributed unless it had been available in all the working languages of the Council. The two documents to be submitted under item 11 (Transport and Communications Decade in Africa) had been consolidated in a single document (A/37/296).

45. Referring to item 12 (Special measures for the social and economic development of Africa in the 1980s), he said that the report of the Secretary-General on that question would not be submitted to the Council or to the General Assembly in 1982. An explanation would be given later, when the item was taken up. Under item 13 (International co-operation in the field of human settlements), he noted that it had not yet been possible to prepare the report of the Secretary-General on the financial and organizational implications of holding an International Year of Shelter for the Homeless, because the relevant resolution required the Secretary-General to take account of the views expressed by the Council at its current session. The choice before the Council was either to take up the report at its resumed second regular session or, preferably, to conclude consideration of the item at the current session and authorize the submission of the report directly to the General Assembly.

46. He was happy to inform the Council that the number of Secretariat documents had been reduced through consolidation. The total volume of documents in terms of pages had been reduced by one third, i.e. by over 1,000 manuscript pages, which represented savings of over \$400,000 in the processing of the documents. While the Secretariat had adopted stringent measures, pursuant to the directives of the Secretary-General, to reduce the length of each document, credit also went to the Council, which had consistently stressed the need for the control and limitation of documentation. He was confident that, pursuant to the directives of the Secretary-General, in 1983 the instructions for a maximum number of 24 pages

per document would be observed almost uniformly, except for certain documents such as the *World Economic Survey*.

47. However, he stressed that, while the Secretariat could and would take the necessary measures to cut down the volume of individual documents and consolidate them wherever possible, the initiative for the discontinuation of documents or for their issue less frequently, rested with the delegations.

48. The PRESIDENT said that he wished to draw the Council's attention to a number of points concerning the provisional agenda. With regard to item 5 (Report of the United Nations High Commissioner for Refugees) the Council had decided in section II of its resolution 1623 (LI) that that report should be transmitted to the General Assembly without debate, unless the Council decided otherwise, at the request of one or more of its members or of the High Commissioner, at the time of the adoption of its agenda.

49. With regard to item 6 (Human rights questions), he said that, at the meeting of the Bureau of the Council held on 6 July 1982, it had been agreed that the question of the scheduling of the annual session of the Commission on Human Rights could not be considered in isolation from meetings of other intergovernmental bodies, and in particular without reference to the scheduling of the Council's own sessions. As was known, the question was to be discussed within the context of the revitalization of the Economic and Social Council and, accordingly, he suggested that it should be considered under item 7 of the provisional agenda.

50. He wished to inform the Council that he intended to hold, on 13 July, informal consultations on Conference Room Paper 1982/4, containing a draft resolution on the revitalization of the Economic and Social Council.

51. In response to a question by Mr. KAMANDA WA KAMANDA (Zaire), the PRESIDENT said it would be preferable if delegations wishing to comment on the report of the United Nations High Commissioner for Refugees did so during the general debate rather than during the consideration of the item.

52. If he heard no objection, he would take it that the Council decided to adopt that approach.

It was so decided.

53. The PRESIDENT said that, if he heard no objection, he would take it that the Council decided to adopt the provisional agenda (E/1982/100), to approve the arrangements for the organization of its work proposed in the annex to the provisional agenda, on the understanding that each committee would organize its own programme of work as it deemed best, to transmit, without debate, the report of the United Nations High Commissioner for Refugees to the General Assembly at its thirty-seventh session and to consider the question of the scheduling of the annual session of the Commission on Human Rights in the course of its consideration of agenda item 7.

It was so decided [see decision 1982/149].

The meeting rose at 4.35 p.m.

31st meeting

Thursday, 8 July 1982, at 10.45 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.31

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments

1. Mr. MORSE (Administrator, United Nations Development Programme) said that in the eight years that had elapsed since the adoption of the Declaration and the Programme of Action on the Establishment of a New International Economic Order, developing and developed countries had been confronted with unresolved and increasingly critical difficulties. The present session of the Council would perhaps mark a turning-point, for there were indications that, out of desperate necessity, the international community might be moving towards accommodation on crucial economic issues and that a global round of North-South negotiations might begin at last.

2. UNDP, too, was confronted with increasingly critical and unresolved problems, but at its twenty-ninth session the Governing Council had, by consensus, taken positive and specific steps towards solving them and the Economic and Social Council's strong endorsement of those measures was now called for.

3. Members of the Council were familiar with the record of UNDP and with the financial constraints which threatened the Programme's effectiveness as it embarked upon its third development co-operation cycle. He was proud to report that, despite all financial difficulties, UNDP had achieved the targets set by the consensus of 1970¹ for the first two cycles. At the same time, the Programme had restored its operational reserve to a level of \$200 million and it now allocated more than 40 per cent of its planned third-cycle expenditures for the benefit of the 31 least developed countries, as against 24 per cent in the first cycle. Since 1972, UNDP action had helped to generate a reported \$42 billion in investment follow-up commitments.

4. In other ways as well, the Programme had adapted itself to changing needs and circumstances. Thus, while in 1972 it had administered only two special-purpose funds, the number of such funds or programmes supported and managed by UNDP and its extensive network of field offices had grown to a dozen. The activities of each of those funds or programmes were integrated within the country programming process, in accordance with General Assembly resolution 32/197 of 20 December 1977 on the restructuring of the economic and social

sectors of the United Nations system. In addition, UNDP had been entrusted, for a transitional period, with the administration of the United Nations Financing System for Science and Technology for Development.

5. In recent years, UNDP had expanded the services of its field office network, in order to provide support to other multilateral and bilateral agencies whose technical co-operation expenditure amounted to more than \$1 billion a year, to the point where, by 1981, a third of the field office staff time had been absorbed by such support activities.

6. During the first two cycles, the Programme's managerial capabilities, operational efficiency and service functions had grown substantially, although, over the same period, UNDP had operated under unusual handicaps. Thus, its technical co-operation funds were allocated on the basis of five-year cycles, but the corresponding voluntary contributions were made on a year-by-year basis. Moreover, UNDP provided a growing volume of services to the development system from what had in recent years been a shrinking resource base in real terms.

7. Under the consensus of 1970, UNDP was the central funding and co-ordinating organization of the United Nations system for technical co-operation; yet the last decade had witnessed the proliferation of separate special-purpose funds, and the growth of funds-in-trust expenditures within the system had further weakened the central role of UNDP. Furthermore, some donor countries had reduced their official development assistance, while others had tended to neglect bilateral or multilateral technical co-operation assistance in favour of capital investment programmes. There had been a perceptible trend in favour of bilateral assistance at the expense of multilateral efforts. All those factors had combined to place UNDP in a critical situation, which had to be dealt with concretely and energetically if the central funding, co-ordinating and service role of UNDP was to be respected and strengthened.

8. The present estimate, based on intensive consultations with Governments, was that the contributions to UNDP for the third five-year cycle beginning in 1982 would fall 38 per cent short of the target defined in Governing Council decision 80/30 and endorsed by the Economic and Social Council. For 1982, that meant a reduction in IPF expenditures of \$550 million. It also meant virtually no UNDP-supported activities to meet new development needs and, in some cases, cut-backs on projects designed to meet existing needs. That was an extremely severe blow to developing countries and, in

¹ General Assembly resolution 2688 (XXV), annex

fact, to all countries committed to international co-operation as a means of creating well-being where none had previously existed.

9. The Governing Council had adopted a number of important measures designed to strengthen the Programme's unique and vital role as the central funding, co-ordinating and service organization of the United Nations system. It had also decided, by consensus, that the time had come for a thorough-going review of the Programme.

10. The Governing Council had strongly endorsed important new responsibilities for UNDP under the Substantial New Programme of Action for the 1980s for the Least Developed Countries, and in the funding of energy projects under the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. In the former case, UNDP had received expanded authority as a sponsor of donor round-table conferences; in the latter, the Interim Committee on New and Renewable Sources of Energy, which had met at Rome in June 1982, had accepted the joint study by the World Bank and UNDP as a basis for estimating the financial needs of developing countries in the energy sector and had endorsed the principal financing role of UNDP in that respect. In those two critical areas of global concern, the Governing Council had clearly reaffirmed the Programme's central role, and he hoped that the Economic and Social Council would do likewise.

11. At its twenty-ninth session, the Governing Council had also lent greater flexibility to the Programme's resource base. It had raised the ceiling on cost-sharing contributions by recipient Governments, provided the means to obtain increased government contributions toward local office costs, and authorized measures on a trial basis which might encourage greater contributions to the United Nations Sudano-Sahelian Office and the United Nations Capital Development Fund.

12. In order to continue to play its central funding and co-ordinating role, UNDP needed not only the highly qualified staff to which it owed its reputation throughout the world, but also financial support that would sustain the Programme's efficiency. The apparent threat to such support had led the Governing Council to take the positive steps set forth in its decision 82/5. The Governing Council had also decided to establish an intersessional committee of the whole, which would meet in New York in order to study, as a matter of priority, options and recommendations for the longer-term financing of UNDP. That committee was also to study, in consultation with the Administrator, means of strengthening the effectiveness of the work of the Governing Council itself.

13. He was confident that the Intersessional Committee's work would produce valuable guidance for solving the problems which were hampering the effectiveness of the Programme. It was essential to bring a higher measure of predictability, continuity and assurance to the funding of UNDP, so as to match the expectations of the countries served by the Programme. The Governing Council's involvement with programming responsibility had to be

enhanced and the coherence and co-ordination of integrated multilateral and multisectoral technical co-operation had to be strengthened so as to achieve the maximum effectiveness.

14. At the twenty-ninth session of the Governing Council, as at the present session of the Economic and Social Council, representatives of developing countries had referred to the adverse impact of cut-backs in technical co-operation on their development prospects and of the perceptible undermining of the multiplier effect gained from the strengthening of human and institutional resources which was technical co-operation's main task. Investments in human skills and energies were the most productive long-term investment of all. The international community could no longer neglect that critical key to economic and social advancement.

15. The Intersessional Committee had particularly important responsibilities before it. It had to find ways of sustaining and enlarging the effectiveness of the multi-sectoral programme of technical co-operation created by the Organization pursuant to the Charter of the United Nations, a programme which benefited almost all developing countries.

16. Long before the expression "North-South dialogue" had entered the international lexicon, UNDP had already been a trusted and effective mechanism for North-South co-operation and understanding. However, if that dialogue was to lead to successful global negotiations, it was essential above all that nations should turn back from their increasingly unilateral approach to development and return to the concept of international co-operation for international economic and social progress embodied in the Charter.

17. In conclusion, he invited the countries represented in the Economic and Social Council to support that concerted international action by firmly endorsing the work and the decisions of the Governing Council of UNDP.

18. Mr. REPSDORPH (Denmark), speaking on behalf of the European Economic Community, noted that, in his opening statement (30th meeting), the Secretary-General of the United Nations had drawn a very sombre picture of the present economic situation. The outlook for the near future was not very hopeful. During the past year, the world economy had experienced its worst recession since the Second World War; the overall annual growth rate had been reduced to as little as 1 per cent, and, while the developed countries had undoubtedly been affected, it was evident that the developing, and especially the least developed, countries had suffered the most. For the first time in many years, there had been a decline in *per capita* GDP in the developing countries.

19. More than ever, therefore, all countries had a common interest in restoring economic growth and putting new life into international economic co-operation. The European Economic Community considered that to be the most urgent goal for the near future, and it appealed to all members of the Council to take part in joint and realistic efforts to put the world economy

back on the right track. The fall-off in global economic activity noted in the past two years had clearly demonstrated the mutual interdependence of all those playing any part in world economic affairs. That was especially evident to the European Economic Community as the world's greatest international trading entity.

20. The challenges of the present moment were great. Unemployment in the industrialized countries had reached record levels during the past 12 months but had also increased in the developing countries, especially the great urban areas in the third world. Although the rate of price increases had been reduced in some countries, inflation rates remained relatively high. The common goal must be to create conditions in which increased employment could be secured against a background of stability and low inflation rates. The process of adjustment needed in order to achieve that goal was still under way, and an immediate recovery was difficult to foresee. The Community, for its part, had decided to implement co-ordinated measures which were essential for the creation of a dynamic adjustment process, involving measures against unemployment and inflation, in order to restore economic growth and stability.

21. In trying to find a solution to the multitude of grave problems facing it, the Community felt it would be desirable that the North-South dialogue should take a more action-oriented and positive course. It had therefore responded favourably from the outset to the proposal to launch a new round of global negotiations covering all major fields in the economic area. During the past three years the Community had played an active role in efforts undertaken towards that end. In that connection, it found the latest draft resolution circulated on 31 March 1982 by the Group of 77 to be a good basis for the continuation of the consultations in New York. At the summit meeting at Versailles held in June 1982, it had been agreed that a limited number of modifications and clarifications should be proposed in order to achieve general consensus on the launching of global negotiations. The four amendments suggested, which had the Community's full support, had been discussed in New York during the past two weeks, but, unfortunately, they had not been found to constitute a basis for the opening of global negotiations. Three years had elapsed since the beginning of discussions, and the political support essential for the success of such an undertaking could be eroded with the passage of time. Despite those difficulties, the Community still hoped that the consultations, which would continue in New York, would be successful and thus introduce a new and constructive element in the North-South dialogue.

22. The Community noted with satisfaction that major increases in protectionist measures had so far been avoided, and, for its part, reaffirmed its commitment to resist protectionist pressures. It believed that the expansion of world trade was of fundamental importance to both the industrialized and the developing countries, and hoped, accordingly, that the stagnation of 1981 would be replaced by a new increase in the growth of world trade. It was a matter of vital importance that international negotiations and co-ordination in that area

should be strengthened. In that context, the Community attached great importance to the forthcoming ministerial meeting within GATT. That meeting would give fresh impetus to the implementation of the Tokyo Round and would also provide an occasion to take decisions on outstanding issues and establish a programme of work to foster international free trade among all countries and groups of countries.

23. The Community also looked forward to the sixth session of the United Nations Conference on Trade and Development, to be held at Belgrade in 1983, as an opportunity to discuss some of the most substantial problems related to trade and development. It further hoped that the Conference, which would take place in circumstances even more grave than previous sessions, would make a useful contribution to world recovery, including the revitalization of world trade.

24. Some of the major problems which had recently arisen related to high interest rates and instability in exchange rates. Recent movements in the dollar exchange rate had cancelled out, and sometimes more than cancelled out, the effects of the present respite on the world oil market. In a period when the economic authorities in most countries had limited room for manoeuvre, the Community observed the persistence of high nominal interest rates, whereas inflation was receding as a problem deserving the greatest attention. High interest rates had increased the burden upon many countries, *inter alia* in financing balance-of-payment deficits. That was especially true of the energy-importing developing countries, many of which suffered from very high debt-servicing ratios. The situation was further aggravated by worsening terms of trade.

25. The Community believed that the international financial institutions still had an important role to play in solving those problems. It was therefore deeply concerned at the increasing financial constraints upon some of the most important among those institutions. In its view, the volume of financial flows to developing countries should be maintained or even increased. The present shortfalls in contributions to IDA were particularly disturbing and a solution had to be found as soon as possible. The Community was also concerned by the worsening financial situation of the operational activities of the United Nations system, and particularly of UNDP. It therefore very much welcomed the recent decision of the Governing Council of UNDP to set up a high-level intersessional committee of the whole to examine possible solutions to the present difficulties.

26. It remained a fact, however, that the poorer developing countries, in particular the least developed, would continue for many years to depend on official development assistance. In that connection, the Community welcomed the positive results of the United Nations Conference on the Least Developed Countries, held in Paris in 1981, and would co-operate in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. It should be noted that more than half of the total development assistance provided by OECD countries

stemmed from the Community and that, despite the present budgetary constraints, the States members of the Community remained committed to the International Development Strategy target of 0.7 per cent of GNP for official development assistance. Furthermore, at the conclusion of the Paris Conference, the member States of the Community had stated that they would endeavour to allocate 0.15 per cent of their GNP as such assistance to the least developed countries.

27. The Community realized that, in addition to official development assistance, the transfer of non-concessional capital flows played a central role in the development of developing countries, especially the medium-income developing countries. At a time of scarce resources for official development assistance, it was becoming increasingly important to secure the most efficient interplay between all kinds of resource flows. The Community hoped that the work begun during the meeting of the Interim Committee of IMF at Helsinki in May 1982 would continue and would result in sufficient usable resources within IMF to give financial backing for appropriate adjustment programmes. The Community recognized that fund quotas should be established with due regard to global economic needs, and supported the continuation of the work on the eighth general review of the quotas.

28. With regard to the commercial banking system, the Community felt that it had so far coped better than expected with the recycling problems and had a major role to play in the future as well. The promotion of world economic activity would need a continued and increased flow of resources to the developing countries, in particular private capital flows, which so far had provided two thirds of the total Development Assistance Committee flows to developing countries.

29. Unfortunately, recent economic developments had tended to widen the gap between rich and poor. Poverty and hunger, especially in Africa, had gone beyond the danger point. The members of the Community were disturbed by the situation and considered it imperative to assist the hundreds of millions of people suffering from malnutrition and hunger. In that connection, it was encouraging to note that world agricultural production had risen, not only in the traditional bread-baskets, but also in a number of developing countries. That development had altered the downward trend in world food stocks and had thus improved overall food reserves. Unfortunately, that increase in food production was unevenly distributed and the situation in Sub-Saharan Africa was still very serious. The Community was therefore examining ways and means of increasing food production and improving the economic prospects for rural communities in developing countries. Assistance would be necessary in order to supplement national plans and efforts to ensure food security, and the Community was ready to provide such assistance. It was, moreover, fully aware that in the foreseeable future, food aid would still be necessary on a substantial scale to protect millions of people from starvation. In practical terms, the Community and its members were large contributors to WFP and had played a decisive part in the success of the

recent WFP pledging conference. In addition, the Community and its member States were giving food aid through various other channels, including special deliveries in emergency situations.

30. Only a month earlier, the period for fulfilling the requirements for the entry into force of the Agreement Establishing the Common Fund for Commodities had been extended until the end of September 1983. All the member States of the Community had signed the Agreement, and those member States which had not yet ratified it were in the process of concluding their domestic procedures enabling them to do so. The members of the Community invited all other States that had not yet signed and ratified the Agreement to expedite the necessary action to that effect. The Community was also concerned about the slow progress in the negotiations on international commodity agreements, and hoped that further progress would be achieved in implementing the Integrated Programme for Commodities.

31. The Economic and Social Council would also be dealing with the question of the United Nations Financing System for Science and Technology for Development at its present session. The constructive talks within the Intergovernmental Committee on Science and Technology for Development would constitute a useful basis for the further deliberations that would be needed for the in-depth study of a number of important and decisive questions. It was necessary, however, to be realistic as to the prospects for financing the System.

32. The Community welcomed the positive results of the United Nations Conference on New and Renewable Sources of Energy and the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. On the occasion of the session of the Interim Committee on New and Renewable Sources of Energy at Rome in June 1982, the Community had confirmed its determination to bring about a better and more balanced use of energy, including the increased utilization of new and renewable sources of energy, and it hoped to continue the discussions initiated at Rome in order to bring about the implementation of the Nairobi Programme of Action. The Community specially emphasized the need for solving the fuel wood crisis and for fostering the increased utilization of world hydropower reserves. Furthermore, it was convinced that energy assessment and planning was a main priority and a determining element for all other energy co-operation programmes. Lastly, the Community had examined with interest the various approaches for increasing the financing of energy activities, and especially the proposed energy affiliate within the World Bank.

33. In conclusion, he paid a special tribute to the President of the Economic and Social Council for his untiring efforts to solve the problem of the revitalization of the Council's work. The Community was of the opinion that the suggestions put forward by the President and the Secretariat at the first regular session of 1982 of the Council contained a number of practical and effective measures which could help to streamline the work, not

only of the Council, but also of the General Assembly. Finally, the Community called upon all members of the Council to participate in the search for solutions and remedies to alleviate the burden of the present economic situation, especially that falling upon the developing countries. The Community was fully aware of its responsibilities and would contribute towards the achievement of that goal.

34. Mr. SORZANO (United States of America) said that, during the past year, mankind had been convulsed by a number of simultaneous wars in separate areas of the world, which had cruelly consumed human and material resources that could otherwise have been more productively utilized. Given the urgency of the issues of peace and security, it was not surprising that both nations and international institutions had concentrated their diplomatic energies on seeking the prompt resolution of conflicts. But while war was the most urgent issue confronting mankind, it would be short-sighted to regard it as the most important. In fact, the political, economic and social needs of all peoples must be met, they must enjoy political liberties and fundamental human rights and have opportunities for education and economic advancement. Those, then, were the truly important matters on which the Council's attention should be concentrated.

35. His delegation was keenly aware of the importance of the Council and the indispensable role it played as a central organ for the consideration of economic and social issues. The Council had a direct impact on the work of more than 50 organizations within the United Nations system with a combined budget of well over \$2 billion. Impressive as those figures were, they were dwarfed by the magnitude of the needs to be satisfied. That proved how important it was that the Council should arrange its work in such a way as to promote the greatest possible efficiency and effectiveness in the activities of the entire United Nations system. In his Government's view, such effectiveness called first and foremost for a clear definition of collective purpose. That was obviously not an easy task, nor was it always possible or even desirable, but the difficulties encountered should not become an excuse for organizational proliferation or institutional incoherence, both of which weakened the United Nations and, by dissipating resources, sharply reduced its capacity to deal effectively with the urgent needs of the developing world.

36. His delegation therefore applauded the decision to concentrate on the revitalization of the Economic and Social Council at the current session. In particular, it applauded the practical and reasonable proposals put forward at the Council's first regular session of 1982 and embodied in the President's informal draft text (Conference Room Paper 1982/4).

37. The world was faced today with a difficult economic situation and there was much to be done in the field of international economic co-operation. For several years, the uncertainty which had cast a shadow over the outcome of the global negotiations had impeded the activities of the Council and the General Assembly in that field.

However, that shadow appeared to be lifting as the various positions, so far apart for so long, drew closer. The United States of America had spared no effort to reach a consensus and had devoted unprecedented high-level attention to questions of international economic co-operation and development in general, and to global negotiations in particular. The President of the United States and his closest advisers had made important statements on those subjects and had participated in high-level meetings, such as the Cancún summit meeting in September 1981, the first meeting of heads of State of developed and developing countries on matters of international economic relations. Immediately after the Cancún summit meeting, the United States had participated in consultations during the General Assembly of the United Nations which had led, towards the end of November 1981, to the submission of a short draft resolution recommending the launching of global negotiations. After reviewing the text at the highest levels, the United States had proposed amendments which would have allowed it to participate in the launching of global negotiations. Unfortunately, its proposals had not been accepted and the Group of 77 had subsequently proposed its own text on the subject.

38. Wishing to reach an agreement, the United States had modified several of its positions, which had enabled it to reach agreement with the other participants at the Versailles summit meeting and accept the text of the Group of 77 with only minor amendments. The United States considered, as was stated in the Versailles Declaration, that there was now "a good prospect for the early launching and success of the global negotiations, provided that the independence of the specialized agencies [was] guaranteed".

39. The latter point should be emphasized. The global negotiations should not be allowed to threaten the existing framework of international economic co-operation, particularly the specialized agencies—the World Bank and IMF—which had been established in the aftermath of the Second World War and had provided the foundation for unparalleled economic growth, benefiting developed and developing countries alike, in the decades that had followed. Although in the past few years the rate of growth had faltered, the blame could not be laid at the door of the specialized agencies, which had proved capable of evolving to meet the new challenges posed by a changing world economy. Thus, the *World Economic Survey 1981-1982* showed that, as a result of the new guidelines adopted by IMF in 1981, the arrangements with oil-producing developing countries had increased in value from \$10 billion at the end of 1980 to about \$20 billion by the end of 1981.

40. GATT also had a very important role to play. The surge in prosperity in the post-war era was caused in considerable part by the extremely sharp increase in the volume of world trade, which had expanded more rapidly than world output and income. The recent reversal of that trend, with world trade apparently virtually stagnant in 1981, was one of the most disquieting aspects of the current economic situation. The preservation of the open

multilateral trading system embodied in GATT was of special importance to the developing countries. It was surely no accident that the newly industrialized countries which had achieved the highest growth rates in the world during the past decade were precisely those developing countries which had followed outward-looking strategies emphasizing the promotion of exports.

41. In the current circumstances of faltering growth and stagnant world trade, it was imperative that the temptations of protectionism should be resisted. In the view of the United States, the time had come to explore seriously the possibility of a major round of trade negotiations between developed and developing countries aimed at further liberalizing trade and improving market access. That was an opportunity that must not be lost, regardless of the precise relation of those efforts to the launching of global negotiations.

42. A properly conducted process of global negotiations could obviously bring benefits. It would permit a useful exchange of views on the full range of international economic issues, and would help all countries better to understand one another's problems. It would assist in identifying those areas which were most ripe for the conclusion of mutually beneficial agreements, and would make greater progress possible on issues that were not currently being dealt with in existing United Nations forums. However, such a process must be approached in a practical and co-operative spirit, recognizing the interest of all in international economic growth and development.

43. Even in the best case, however, it would be naïve to expect that global negotiations, or indeed intergovernmental discussions or agreements of any sort, could, by themselves, produce economic growth and development. International economic co-operation was a necessary condition for a prosperous world economy, but it was by no means a sufficient condition. In a world of sovereign States, the most critical economic policy decisions remained those made at the national level. Only if each country pursued sound, non-inflationary, growth-oriented policies would it be possible to restore the health of the world economy. His Government was already committed to such a programme.

44. As was pointed out in the *World Economic Survey 1981-1982*, the two most important causes of the slowdown in economic growth over the past decade had been generalized inflation and the abrupt rises in energy prices. There were signs of progress towards overcoming those ills and there were reasons to believe that the domestic policy of the United States Government was one of the factors which had contributed to that progress. In fact, the results of the fight against inflation had surpassed all expectations: inflation in the United States had been reduced from 14.4 per cent during the 12-month period ending in May 1980 to 6.7 per cent during the 12-month period ending in May 1982. Indeed, during the 6-month period ending in May 1982, the annual rate of inflation had dropped to 3.7 per cent.

45. With regard to energy, the decontrol of domestic oil prices had allowed free market forces to bring about a marked reduction in United States oil imports; that policy

had contributed significantly to the world-wide decline in oil consumption. The price of oil had been stabilized and had even dropped slightly, thus producing substantial economic benefits for energy-importing countries. In fact, every reduction of one dollar in the price of a barrel of oil saved energy-importing developing countries an amount equal to more than three quarters of the net transfer of the resources they received from the World Bank and IDA.

46. Although economic policy was still very far from an exact science, some lessons could be learned from the experience of recent decades. For example, his delegation was not convinced that it would be desirable to return to the economic policies that had produced the unprecedented problems of "stagflation". However, the extraordinary economic successes of a number of developing countries, in the face of adverse international conditions, proved that reliance on free and open markets could bring about rapid and widely distributed gains in economic well-being. Similarly, the resounding failure of totalitarian societies to meet the economic aspirations of their people could not be denied. Their failure was most dramatically apparent in the sector of agriculture. The chief single cause of the precarious balance between world food demand and supply was the enormous food deficit of the USSR, a country which had actually been an exporter of grain before the Soviet régime had come to power. During the past decade, the USSR alone had accounted for some 40 per cent of the increase in purchases in the international grain market. Even Soviet leaders had been compelled to acknowledge that the continuing failure of Soviet agriculture could not be ascribed to bad weather year after year.

47. The apologists of despotism had argued for years that the suppression of individual liberty was the price to be paid for improving the material well-being of the people, especially the poor. Experience showed that such an argument was untenable. On the contrary, it was the flowering of liberty and not its curtailment that was the surest way for a nation to better its economic condition. Liberty and prosperity shared a common characteristic, in that their acquisition by some did not diminish their availability to others. There was therefore no need to fear that the United States would slacken its historic commitment to the cause of development.

48. Mr. MARSHALL (United Kingdom) reviewed the influences that had marked the general discussion organized by the Council for several years on international economic and social policy, including regional and sectoral developments. In 1976, the Council had had before it the results of the fourth session of the United Nations Conference on Trade and Development, particularly the Integrated Programme for Commodities. In 1977, it had met just after the conclusion of the Paris Conference on International Economic Co-operation. In 1978, the theme of interdependence had become more and more marked; the Council had had before it two important resolutions adopted by the General Assembly, one on the restructuring of the economic and social sectors of the United Nations system (resolution 32/197)

and the other concerning the establishment of the Committee of the Whole (resolution 32/174). In 1979, the general debate had been clearly dominated by three main economic developments: the outcome of the fifth session of the United Nations Conference on Trade and Development, held in that year at Manila; emerging ideas on global negotiations, which had evolved from the concept of the Committee of the Whole; and the elaboration of a strategy for the Third United Nations Development Decade. Also in 1979, humanitarian problems had taken on a new dimension and were beginning to make themselves felt. In 1980, the Council had met after the publication of the Brandt Commission report. The Tokyo Round of negotiations within GATT had been completed. The General Assembly had been about to hold its eleventh special session on global negotiations relating to international economic co-operation for development and on the International Development Strategy for the Third United Nations Development Decade. However, humanitarian problems had loomed even larger. In 1981, the situation had evolved in the same direction; the world economic scene as a whole had continued to darken and the problems of humanitarian co-ordination had become even more pressing. Without reaching agreement on global negotiations, the General Assembly had adopted the International Development Strategy for the 1980s. The Council, and subsequently the General Assembly, had endorsed the Global Strategy for Health for All by the Year 2000. It had also looked forward to the United Nations Conference on New and Renewable Sources of Energy and the United Nations Conference on the Least Developed Countries. The year 1981 had also been memorable for the Cancún summit meeting, the Ottawa summit meeting of industrialized countries and the meeting of Commonwealth Heads of Government at Melbourne.

49. In 1982, the problems were still more complex and urgent. As well as continuing or worsening economic, political and humanitarian problems, there were the problems of food and agriculture, which were a matter of particularly high priority in the current year. In those, as in other spheres, he was struck by the frequency with which the word "crisis" was used; in the present context, it meant a situation in which each of the many and interdependent facets involved called urgently for joint action. The Council, as the management organ of the whole United Nations system, must try to determine how such action should proceed.

50. It was no accident that a regular session of the Council was taking place at Geneva, which was a nerve centre. At the moment, four interdependent issues were being considered in Geneva. First, there was that of the maintenance of an open world trading system, which owed much to the work of GATT. Second, there was development co-operation, especially between developed and developing countries; reference should be made in that regard to UNCTAD and the preparations for the sixth session of the Conference. Third, Geneva was also recognized as the centre for international humanitarian action carried out under the auspices of

several organizations, not all of which belonged to the United Nations system. Lastly, Geneva was also where the activities of the United Nations Committee on Disarmament, on the one hand, and the bilateral negotiations between the United States of America and the Soviet Union on strategic arms reduction, on the other, were taking place. He hoped that the second special session of the General Assembly devoted to disarmament, now being held, would give a further stimulus to the United States-Soviet bilateral talks. In the field of disarmament, the Council, which should consider the report of the Palme Commission (Independent Commission on Disarmament and Security Issues) and support many of its conclusions, had responsibilities that were not technical but consisted in preserving and realizing the values which had inspired the Charter of the United Nations in the first instance. Those responsibilities meant that it must be aware, not only of the suffering which war could bring directly, but also of the suffering which failure to resist aggression could occasion in the long and the short run. As the Prime Minister of the United Kingdom had stressed, the ultimate objective of disarmament must be, not peace at any price, but peace with freedom and justice.

51. He had touched on those points of substance in order to draw attention to the extensive role entrusted to the Council. Faced with its many responsibilities, the Council once again had before it the question of its own revitalization. In his view, it was not necessary to mount another full-scale review like that undertaken by the General Assembly in 1975. Resolution 32/197, in which the General Assembly had defined the principles applicable to eight problem areas which required restructuring, still remained a framework of continuing reference. That framework still provided guidance for future co-operation generally and the work of the Council in particular. At their meeting at Melbourne, in October 1981, the Commonwealth Heads of Government had requested the Commonwealth Secretary-General to entrust a high-level group with a study on the extent to which the lack of progress in negotiations between the developed and the developing countries resulted from obstacles in the negotiating process itself. The group's report should be instructive. The techniques which the members of the Council and other United Nations bodies attempted to apply to their work were in their infancy. There was much to be learned in that area.

52. There was no need for a new grand design to revitalize the Council. If there was a decline in the commitment to multilateralism, it was surely related to the capacity of the system to yield results. While the standard of performance of some United Nations bodies was impressive, there was much room for improvement by others. At the intergovernmental level, the Council itself should strive to set a better example. Its role in the fields of the selection of themes, co-ordination, the rationalization of the time-table, and the setting of priorities could certainly be improved. The Council should be the pace-setter in reducing documentation. The Secretary-General should be congratulated on his efforts

to raise morale in the Secretariat, to improve career opportunities and to promote officials on merit. His efforts to improve co-operation between United Nations bodies, without prejudice to their competence, must continue; efforts should also continue to improve co-ordination between United Nations agencies in the field. For example, every effort should be made to implement the principles embodied in General Assembly resolution 36/225 on strengthening the capacity of the United Nations system to respond to natural disasters and other disaster situations.

53. In recent years, the Council had neglected one of its tasks, that of supervising the work of the regional commissions. He hoped that it would remedy that situation.

54. The efficiency of the system would also be much

improved if resources were used efficiently. In his delegation's view, resources should be concentrated in the existing major channels and every effort made to avoid the proliferation of trust funds and other sectoral undertakings. That was surely the lesson of the recent session of the UNDP Governing Council. Unnecessary meetings and conferences should also be avoided.

55. During the first regular session of 1982, the President had submitted to the Council an informal document designed to facilitate consideration of the topic of the revitalization of the Council. His delegation intended to draw on that document when the time came and to support a number of the suggestions made therein, to enable the Council to achieve some practical results on the topic at its current session.

The meeting rose at 12.20 p.m.

32nd meeting

Thursday, 8 July 1982, at 3.20 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.32

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)

1. The PRESIDENT drew attention to the document made available by the Algerian delegation, entitled "*Initiative d'Alger pour la démocratisation des relations internationales*" (Algiers initiative for the democratization of international relations). As a product of the deliberations of some outstanding personalities in world economics, it contained a number of elements of interest in connection with the current debate.

2. Mr. YOLAH (Under-Secretary-General for International Economic and Social Affairs) said that the present crisis in the world economy was even worse than it had been when the *World Economic Survey 1981-1982* had been completed in March 1982. The United Kingdom representative had questioned the frequent use of the word "crisis" in the *Survey* and other United Nations documents, but, from the viewpoint of the majority of the world's inhabitants, it was entirely appropriate; the world was at a turning-point and must inevitably change, either for better or for worse. Persistent recession in the developed market-economy countries had affected the export earnings of many developing countries, which had been forced to reduce their rates of economic growth still further. Many of them, both importers and exporters of energy, had been obliged to cut back their imports and postpone or abandon important investment projects. Economic uncertainties had further diminished the ability

of most developing countries to guide their economies in a planned way. It now appeared that the recovery predicted for the second half of 1982 would be difficult to attain and *per capita* incomes might continue to fall in many developing countries.

3. In the developed market economies, the modest recovery predicted for the second half of 1982 was beginning to seem less probable. The forecast for the developed countries had been dependent on a recovery in the United States of America and a lowering of interest rates by several percentage points. Most indicators, however, did not suggest any firm recovery in the United States before the end of the year, and, although progress had been made in a number of countries, including the United States, in reducing inflation, interest rates remained high and continued to slow down investment.

4. Among the main issues discussed in the *Survey* were the need to reduce uncertainty, through the co-ordination of economic policies among the major industrialized countries, the strengthening of international co-operation and the maintenance of an open trading system. At the recent Versailles summit meeting, the major industrialized countries had agreed to co-ordinate their policies more effectively, with a view to reactivating economic growth and reducing inflation. Unfortunately, domestic problems in some of those countries were leading them away from efforts to strengthen international co-operation. In many countries, official development assistance had been cut back, and there were also indications of increasing protectionism to sustain employment and output in declining sectors. If those tendencies were to increase, the prospects for world

economic recovery, and particularly for a resumption of growth in the developing countries, would become even dimmer.

5. There was, therefore, an urgent need to strengthen the multilateral trading system and international financial co-operation. The ministerial meeting of GATT in November 1982 would offer an opportunity to support the acceptance of a more open trading system by taking specific action.

6. A review of the world economy must not, of course, be restricted to the current situation; the examination of long-term trends was of crucial importance. Although there were drawbacks in trying to predict the future on the basis of present and past trends, it was nevertheless useful to examine various possibilities. In response to General Assembly resolution 34/57 and Economic and Social Council decisions 1980/190 and 1981/200, the Secretary-General, through the Department of International Economic and Social Affairs, in co-operation with all the regional commissions and specialized agencies of the United Nations system, had prepared a report concerning an overall socio-economic perspective of the world economy to the year 2000 (A/37/211 and Corr.1).

7. The report began with projections of potential growth based on the assumption that recent trends, and particularly the policies of the developed economies, would continue, which it called "A low world-growth scenario". In the absence of new measures to stimulate the world economy, overall economic growth for all groups of countries was expected to be much less than in the previous decade, and the projected growth of the developing countries in particular was likely to be highly unsatisfactory.

8. The international community had long recognized the need for faster growth in the developing countries. The report on long-term trends reiterated the targets unanimously set in the International Development Strategy for the Third United Nations Development Decade and reaffirmed the measures that needed to be taken in order to fulfil them.

9. An aggregative approach to the economic situation of developing countries presented certain advantages; common problems could be analysed, common obstacles to growth recognized and common policies identified. It would not, however, bring out the diverse economic problems particular to each region, to which therefore specific attention was given in the report.

10. The report dealt with some of the social dimensions of development, such as income distribution, primary education and primary health care. It showed that, even if the expansion envisaged by the Strategy were to be achieved, the poverty of millions of people would not be alleviated by the year 2000 unless specific policies aimed at improving the conditions of the neediest were actively pursued.

11. Lastly, some of the most critical problems facing the developing countries were discussed in the report: the population explosion, food supply and agricultural modernization and expansion, human settlements,

industrialization and technology, trade, money and finance, disarmament and defence requirements, together with energy and all the related issues. Unless intensified efforts were made to deal with those problems, it would be difficult to achieve the goals of the Strategy.

12. An important feature of the International Development Strategy was international monetary and financial co-operation, to which the Committee for Development Planning had devoted much of its report (E/1982/15 and Corr.1 and 2). The Chairman of the Committee would introduce that report to the Council.

13. The Council also had before it for consideration under agenda item 3 the report of the ACC Task Force on Long-Term Development Objectives (E/1982/74), which confirmed the unfavourable situation of the world economy and the need to restore growth.

14. With respect to agenda item 8 (Convening of an International Conference on Population in 1984), he said that, since the last World Population Conference in 1974, the problem had become more urgent and complex. Although there had been some improvements at the global level, at the regional and country levels many population trends were significantly at variance with the goals of the World Population Plan of Action. The Conference would discuss selected issues of first priority, giving full attention to the relationship between population and social and economic development. The discussions would contribute to the process of review and appraisal of the Plan of Action and its further implementation. Preparations for the Conference were already under way.

15. On agenda item 10 (Public administration and finance matters), he said that the report before the Council on international co-operation in tax matters (E/1982/71) outlined the history of the proposal made by the former Group of Experts on Tax Treaties between Developed and Developing Countries for the creation of an international forum for the discussion of taxation issues and the sharing of technical experience in the tax field. The successor to the Group, the *Ad Hoc* Group of Experts on International Co-operation in Tax Matters, had reviewed the feasibility and the substantive aspects of the proposal at its first meeting in December 1981. In view of the many institutional and financial implications of the Group's proposals, it was recommended that the consideration of them should be deferred until its work on international tax evasion and tax avoidance had been completed. At that time, an appropriate course of action would be recommended to the Council.

16. The Council also had before it in connection with item 10 a report outlining the policy recommendations made by the Second International Symposium on the Mobilization of Personal Savings in Developing Countries, held at Kuala Lumpur, Malaysia, in March 1982 (E/1982/66). The Symposium was one of a series of three, whose reports would be very useful to policy makers concerned with development financing and to savings and credit officials in developing countries. A third Symposium was planned for 1984. Both the reports he had referred to reflected the continuing efforts of the

United Nations to develop policy guidelines that would help developing countries to generate more financial resources for development and at the same time increase their financial self-reliance.

17. The process of defining the role of the United Nations in providing the necessary forum where nations could identify their common concerns and seek mutually acceptable solutions to common problems was still continuing. Serious and informed debate on the issues involved demanded balanced research and analysis, based not only on accurate figures but on a truly global viewpoint. The United Nations, because of its membership and its mandate under the Charter of the United Nations, was in an appropriate position to perform the necessary tasks, in order to achieve both economic recovery on the short run and a more balanced and stable international economic order in the long run.

18. Mr. LOEFF (European Economic Community) said that 1981 had not been a good year for the European Economic Community. For the first time since 1975, there had been a decline in economic activity. The prolongation of recession in 1981 had been connected in particular with the rapid appreciation of the dollar and the rise in world interest rates. The deficit in the balance of payments had remained at the 1980 level. At the same time, unemployment had reached an unprecedented 9 per cent, the highest level of the post-war period.

19. He did not wish, however, to over-dramatize the difficulties with which the Community was faced. Other countries were suffering still more from the world economic crisis. What was important was to face those difficulties with resolution and a determination not to jeopardize international co-operation. Growth would not resume of its own accord; it required an active policy of encouraging investment and employment. Only a significant resumption of investment would bring about the conditions needed for the creation of jobs, technological innovation and improved competitiveness. Investment in energy was particularly important, and the Community could provide the necessary impetus in that regard and help to co-ordinate national policies.

20. Better co-ordination was also necessary for general economic performance. The fight against inflation demanded that the divergences between the rates of inflation of Community member States should be reduced. That should be accompanied by a reduction in the differences in budgetary deficits. At the same time, in an international monetary context marked by instability, the Community would have to make an effort to strengthen the European monetary system and increase its internal cohesiveness. Such an effort should be accompanied by improved international monetary co-operation, particularly in respect of movements of rates of exchange and interest rates.

21. Trade was another major field of international co-operation. The Community was committed to the maintenance of an open trading system and strict respect for international rules and procedures. The so-called "wave of protectionism" was perhaps exaggerated, although pressures were rising. As the ministers of the

OECD countries had noted in May 1982, the international trading system had stood up reasonably well. An expansion of world trade was in the interest of all countries, both North and South. The stagnation of world trade in 1981 was a source of genuine anxiety to the entire international community. The Community, for its part, undertook to participate in a positive spirit in the new efforts to be undertaken within the framework of GATT, on the understanding that it was also important to ensure that the results of past negotiations were put into effect.

22. The European Economic Community was the developing countries' main trading partner. Under the Lomé Convention, the preferential agreements with the Mediterranean countries and the generalized system of preferences, most developing country exports enjoyed free or preferential access to the Community market. Total imports from the developing countries had risen in 1981 to about \$143 billion, while Community exports had amounted to \$120 billion. The Community was well aware that, for the past six or seven years, the main impetus behind world trade had been the growth of developing-country markets; in 1980, those markets had taken about 46 per cent of Community exports, if southern Europe was included (and more than 37 per cent excluding southern Europe). It was in the Community's interest that the impetus should not slacken. Thus, the developing countries were to a varying extent becoming increasingly important partners in international trade and their continuing integration within the trading system seemed a foregone conclusion. The multilateral system, therefore, was the most appropriate framework within which to examine the matters of particular concern to them.

23. Turning to particular aspects of international trade relations, he noted that at the end of 1981 the Arrangement regarding International Trade in Textiles, known as the Multifibre Arrangement, had been extended until 31 July 1986. Although the Arrangement was not an end in itself, it offered, together with satisfactory bilateral agreements, a suitable framework for the orderly development of trade in a sector faced with difficulties and already subjected to drastic adjustments. Despite those problems, the Community had allowed some 45 per cent of its market for textiles and garments to be taken up by imports—a share well in excess of the level in other major importing countries. That fact should explain the importance the Community attached to some regulation of sharp or excessive rises in its imports.

24. With regard to generalized preferences, the plan drawn up by the Community for 1982 was part of an overall plan for 1981-1985. In agriculture, the Community had concentrated on increasing the level of preferences, whilst expanding the list of commodities covered and extending particular measures in favour of the least developed countries. For industrial commodities, the preferential amounts had in general been increased by 5 to 15 per cent, except in some highly sensitive sectors. The new scheme applied since 1980 was clearly more liberal in relation to the least developed countries and had implications greater than the actual amounts involved

would suggest. In addition, China and Romania would now have the benefit of preferences, in certain commodities, which had not previously been the case.

25. The commodity sector was still beset by problems which the various forms of international co-operation had only partly remedied. Price instability was a major worry for the developing countries, affecting their purchasing power and export earnings, and was a factor in the problem of indebtedness. Solutions had to be sought at the international level; despite the lack of progress so far, the Community supported the efforts being made in UNCTAD, including the Integrated Programme for Commodities. New commodity agreements should be drawn up to deal with specific problems whenever possible; the Agreement Establishing the Common Fund for Commodities, concluded in 1981, which had been signed by the European Economic Community and all its member States, would, it was hoped, become operational as soon as possible.

26. Price stabilization was but one aspect of commodity problems. The Community was concerned at the lack of investment for natural resource development, which would be a key to world economic recovery and the prosperity of the developing countries, particularly the least developed among them, and would lead naturally to the development of processing and exporting by those countries.

27. As a result of the establishment of the STABEX system for the stabilization of export receipts under the Lomé Convention, the Community had acquired special experience in the field of export earnings. The stabilizing of export earnings had been given particular attention at the United Nations Conference on the Least Developed Countries, held in Paris in 1981. The financing problems which had arisen recently had been chiefly due to the considerable fall in coffee, groundnut and cocoa prices. In addition, two countries parties to the Lomé Convention had been hit by natural disasters. An exceptional effort had been agreed on to meet half of the transfer requests for which available resources had been insufficient. The difficulties encountered in applying the STABEX system were not structural in nature, but were due to the immediate economic situation, which would be taken into account in establishing the new contractual relations to succeed the current Convention. The economic situation had severely strained the operation of some commodity agreements, leading in some cases to unilateral measures. Only strengthened international co-operation would make it possible to overcome such difficulties.

28. The Community and its member States participated in the International Coffee Agreement, 1976, and in the International Cocoa Agreement, 1980, which had come into force in August 1981; they had also concluded the International Natural Rubber Agreement, 1979, and had provisionally signed the Sixth International Tin Agreement. Consultations with a view to the conclusion of international agreements on cotton and hard fibres would continue. The Community was also participating in negotiations for an international agreement on jute and

would take part in those for an international agreement on tropical timber. Although the Community would not participate in the 1977 International Sugar Agreement directly, because of its shortcomings, it was trying to further its aims and would participate in future renegotiations. It continued to hope for the conclusion of an international agreement on cereals; only such an agreement, including economic clauses, would achieve the twofold aim of international market stability for cereals and food security for the developing countries.

29. In general, the problems caused by population growth, desertification and the risks of reduced food self-sufficiency could not be ignored, and at the end of 1981 the Community, on the initiative of the Italian Government, had established a plan of action against world famine, comprising both short-term measures and action aimed at structural causes. In the short term, the Community, in addition to the normal assistance programme, had earmarked some \$44 million for the least developed countries, consisting partly of special food aid and partly of a supplementary contribution to the International Emergency Food Reserve, which had now been able, for the first time, to achieve its target of 500,000 tonnes of cereals. The Community's plan also provided for support to developing countries carrying out national food strategies; it had taken initial steps with regard to several countries and would expand its activities in the future. At the same time, regional action was being taken to protect and develop agricultural potential and to improve food security. In addition, the Community was studying the possibility of applying a special supplementary programme in 1982.

30. The Community was carrying out financial and technical assistance programmes, both under the Lomé Convention and as part of co-operation agreements. There was also the regular food aid programme for 1982, which at present envisaged deliveries equivalent to \$550 million, a sizeable portion of which was earmarked for WFP. Assistance in cereals was concentrated on the poorest countries and those with the worst cereal shortages. The Community noted with interest the conclusion reached by the World Food Council, at its eighth ministerial session in June 1982, that consultations should be undertaken among Governments, at the expert level, to examine the proposal to set up a cereal reserve of some 11 million tonnes, exclusively for the developing countries.

31. One of the developing countries' most crucial problems was that of finance—particularly for those which imported energy, although the relative easing of the oil market had reduced tension somewhat. Their balance of payments also suffered from the recession in the industrialized countries and the need to import food. Thus, both official and private assistance not only remained essential but needed to be increased and suitably co-ordinated. Official development assistance, in particular, was essential for the improvement of development finance; member States of the Community, despite current difficulties, still aimed at the target of 0.7 per cent of GNP; they had set a target of 0.15 per cent of their GNP

for the least developed countries, and some of them had already exceeded that target.

32. Multilateral financing in general, and the financing of energy development in particular, called for particular attention. As a result of the stagnation in official aid, with a tendency to opt for bilateral channels and reduce contributions to multilateral agencies, the multilateral system was threatened with dangerous erosion. The plans for an energy affiliate of the World Bank seemed to be fading, and at the same time IDA, the essential source of finance for the poorest countries, had been operating at a low rate for almost two years and its financing capability was liable to be cut by some 40 per cent between 1981 and 1984. The longer-term prospects were no better: the World Bank would have to husband its resources so as to ensure that its capital was not used up too quickly; similar problems were to be foreseen regarding the development bank capital. The international community could not ignore such problems. The Community would give due attention to the concern expressed on the subject by the developing countries, particularly during the consultations held at New Delhi in February 1982.

33. The European Economic Community also had specific funds available for assistance in cases of emergency. Thus, it had earmarked some \$25 million in 1981, under the Lomé Convention, for a series of measures following political events or natural disasters in a number of countries. An equivalent amount of assistance had also been given, through international and non-governmental organizations, to non-associate countries, particularly in Asia. The year 1981 had been the sixth year of co-operation with non-governmental organizations.

34. Turning to the work of the regional commissions, he noted that ECE had adopted a resolution which provided a constructive framework for its technical tasks in energy, the environment, science and technology, and other fields.

35. The Community participated regularly in the work of ECWA, whose ninth session had reflected the determination of its member States to continue their efforts, despite the problems prevalent in the region. By means of an exchange of letters in December 1981, the Community had established specific co-operation measures with ECWA in spheres of joint interest.

36. The Community, on account of its many trade and other ties with ESCAP and its member countries, followed that Commission's work with interest. Although the Community's trade deficit with Japan had increased further in 1981, that with the developing countries members of ESCAP had fallen sharply.

37. The Community was still firmly committed to friendly relations and co-operation with Latin America. ECLA had recently proposed to the Council of the Community special action to promote economic and social development in Central America—action which would include increased financial support aimed particularly at improving agriculture and easing balance-of-payments deficits. Preparations for a co-operation agreement between the Community and the Andean Pact

countries were at present in suspense owing to present circumstances, but the Community was ready to resume negotiations as soon as the situation allowed. In general, the Community would continue to give specific support to the Latin American countries' efforts at regional and subregional integration and was ready to share its experience in such matters.

38. Unfortunately, the Euro-Arab dialogue had made no progress, and the meeting of ministers which had been envisaged for its resumption could not be held as planned, on account of events in the Middle East. The Community continued to hope that Europe and the Arab world could establish a basis for a true rapprochement in a climate of trust. It had already established closer relations, as part of its undertaking to promote regional co-operation, with some Arab regional organizations, for example as a result of the agreement signed in June 1982 with the Council of Arab Economic Unity and the contacts with the Gulf Co-operation Council.

39. The Community had also continued its co-operation with ASEAN. A trade council had been established and a programme of co-operation in science and technology had been developed.

40. Tangible progress had been made in the relations between the Community and the developing countries of Asia, which were the major recipients of its financial and technical assistance to non-associate countries. A good start had been made in the implementation of the new co-operation agreement with India.

41. The Community was particularly anxious to ensure that its relations with the countries of the Mediterranean basin developed harmoniously and in the interests of all parties.

42. The third United Nations Conference on the Law of the Sea, some aspects of which directly affected the Community's interests, had been an important milestone in international co-operation and had resulted in a Convention of a scope unprecedented in United Nations history.

43. With respect to the North-South dialogue, the global negotiations plan had suffered many setbacks since its first appearance some three years earlier. The Community had consistently supported the plan, since the proposed negotiations, if they were conducted in a spirit of solidarity on all sides, could achieve their purpose. They would not replace the work done by existing institutions, but could open the way to a new dimension of international co-operation. The Community therefore welcomed the recent conclusions reached at the summit meeting of industrialized countries at Versailles, which had described the launching of global negotiations as a major political objective. On the constructive basis of the proposals of the Group of 77 and those of the industrialized countries, it should be possible to achieve the closer understanding that was essential for the opening of such negotiations.

Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

44. Mr. SALAS (Executive Director, United Nations Fund for Population Activities) said that his report on the

state of world population, issued in June 1982, indicated a world population of 6.1 billion for the year 2000—a figure 1.4 billion below that of 7.5 billion which would have been projected under the conditions of stable fertility and declining mortality prevailing in the 1950s. The difference had arisen because the birth rate in developing countries had been declining twice as fast as in the 1960s, owing partly to national population policies and programmes, changes in social and economic conditions and international population assistance. The United Nations now predicted that world population would be stabilized at 10.5 billion in the year 2110. The largest decline in the birth rate had been in Asian countries, where the speed of decline had accelerated in the 1970s; a target of 1 per cent population growth rate in the year 2000 had been set, in October 1981, by the Asian Conference of Parliamentarians on Population and Development. Birth rates had changed least in Africa; rates of 45 and above were still common, particularly in western and eastern Africa; of 50 developing countries in Africa, 32 had Governments that had no policies for influencing their birth rates.

45. The unprecedented growth in the 1950s and 1960s had pointed to the need to integrate population factors in development planning and had induced many Governments in the 1970s to revise their view that large populations would not adversely affect future economic growth. Policies and programmes had been formulated not only for birth rates but in areas such as mortality and morbidity, spatial distribution and certain aspects of internal and international migration. By 1980, 59 developing countries had had suitable programmes, as against 26 in 1969; another 21 countries now considered their fertility levels too high but had not yet chosen to adopt interventionist policies. The significance of the changed attitude could be grasped when the size of the population concerned was noted. Some 80 per cent of the developing world's population lived in countries which considered their fertility levels too high, but only 3 per cent lived in 21 countries where the Governments thought they were too low; the remaining 17 per cent lived in countries satisfied with their current fertility levels.

46. The World Population Conference held in 1974 had fostered that change in outlook, and the World Population Plan of Action had consolidated the objectives, actions and policies developed up to that time. The experience acquired since then augured well for 1984, when the next international conference on population would be held.

47. Statements made during 1981 by many international leaders reflected the continued recognition of the importance of population. The seven major industrialized nations, at their summit meeting at Versailles in June 1982, had noted, in a joint communiqué, their intention to give special encouragement to programmes dealing with the implications of population growth. Equally heartening was the increased contribution to UNFPA by many donors, despite current international economic conditions.

48. A shortage of resources persisted, however, at a time when the developing countries' demand for popu-

lation assistance was growing. The UNFPA programme, like that of all voluntary funds, had been adversely affected by the decline in the value of many convertible currencies compared to the United States dollar, which had reduced its 1981 income by a few million dollars. The Governing Council of UNDP, at its twenty-eighth session, had given UNFPA approval authority amounting in total to \$147 million for 1981, but the shortfall in contributions had resulted in an income of \$22 million less; as a result, many projects had had to be postponed or rephased. Fortunately, the rephasing had been done in collaboration with the Governments and agencies concerned, the Fund having remained financially sound. Moreover, national allocations for population programmes had been increasing considerably. Even countries initially dependent on external assistance for such activities had increased their commitment of internal resources. For each dollar budgeted by UNFPA during 1979-1981, the countries themselves had budgeted \$4.6—a ratio influenced by the large-scale commitment of funds in 1980 by countries such as India and Mexico for their population projects.

49. In June 1982, UNFPA had submitted to the Governing Council details of a review and reassessment of the entire UNFPA programme for 1982-1985 (DP/1982/28, DP/1982/30 and Add.1), including an extensive review of the system for determining priority status—a system which, approved by the Governing Council in 1977, had been effective in directing efforts to projects in 40 "priority" and 14 "borderline" countries. As a result of the review, proposed revisions had been submitted to the Governing Council; the revised list, based on a slight adjustment in the criteria and an upward adjustment in the threshold of the economic indicator, included 53 priority countries: 30 in Sub-Saharan Africa, 16 in Asia and the Pacific, 2 in Latin America and the Caribbean and 5 in the Middle East and the Mediterranean regions. Those countries, which in 1980 comprised roughly 75 per cent of the population of the developing countries, included 28 of the 31 least developed countries. The list would serve to establish priorities in allocating 60 per cent of the resources of UNFPA, but its adoption did not preclude assistance to any other developing countries.

50. As one outcome of the review, income projections for 1982-1985 had been revised downwards, on the basis of the Governing Council's directives and the Fund's own conservative projections for 1982 and beyond. The revision took a realistic view of current resources and would enable UNFPA to programme without major readjustments. It was realized that developing countries needed a firm assistance commitment in order to rest assured that project implementation would not be disrupted by the rephasing of funds. But it was also realized that, despite continuing fund-raising efforts, income projections might not be fully met; to avoid disruptions, therefore, it was intended to programme cautiously for each of the four years 1982-1985 at a level no higher than that of 1982, currently estimated at \$136 million. Such conservative programming meant that programme allocations, once made, could remain firm:

additional resources, if available, would be allocated primarily to new activities.

51. The programme priorities set by the Governing Council were: family planning, oriented towards the individual and family; population education, including family planning information; basic data collection; population dynamics; and policy formulation, implementation and evaluation. Those priorities would be applied by UNFPA in its next work-plan period from 1983 to 1986.

52. He intended to discuss in the First (Economic) Committee the preparations for the 1984 International Conference on Population. It was heartening that India had been added to the list of contributors and had offered to be the host country for one of the working groups. In addition to the pledges from Australia, China, Colombia, Egypt and Peru, reported to the Council at its previous session, it had been indicated that further contributions were to be made by Bangladesh, the Federal Republic of Germany, Japan, Pakistan, Sri Lanka and Thailand. The \$300,000 target for 1982 had almost been reached. Apart from assessing past achievements, the Conference would provide an opportunity to give further guidance for the next phase of the integration of population with development; the broad tasks to be undertaken were to strengthen the existing momentum, to initiate programmes in areas where no significant impact had yet been made and to identify problems for concerted action.

53. The main emphasis in the collective effort of the 1960s and 1970s had been on basic data collection and family planning, in which impressive gains had been achieved. In the preparations for the 1984 Conference, the emerging population problems for the forthcoming two decades and beyond must be recognized. Rapid urbanization and uncontrolled urban growth would call for fresh policies. The Declaration adopted by the International Conference on Population and the Urban Future, which had taken place at Rome in September 1980, had suggested a number of measures to meet the challenges posed by rapid urbanization. The problem of aging, which was to be discussed at the forthcoming World Assembly on Aging, was a further subject of increasing concern to Governments.

54. The 1970s had been marked by a shift in the pattern of international migration. While the scale of migration from the developing countries to northern and western Europe had declined, the number of migrants to western Asia from the poorer areas of the developing countries had substantially increased. Further research on the impact of migration on both the countries of immigration and the countries of emigration would be required.

55. The experience of countries in which population programmes were integrated with development planning showed that programmes to improve the status of women, to provide access to health care, to improve contraceptive methods, to reduce infant mortality and to provide education combined to produce a decline in fertility. While government action had proved essential for giving the necessary impetus to family planning programmes, effective delivery could only be maintained with active

community participation, as the outstanding success of family planning in China and Indonesia had shown.

56. The four workshops which had been planned in preparation for the International Conference on Population would examine the achievements, problems and prospects in four major areas: fertility and the family; mortality and health; population distribution; and the interrelationships of population, resources, environment and development. The results of the workshops, together with the inputs provided by the organizations of the United Nations system—including the regional commissions—and by non-governmental organizations, would be taken into account in preparing the basic documents for the Conference.

57. Mr. SRIVASTAVA (Secretary-General, International Maritime Organization) said that IMO now comprised 122 members, over 75 per cent of which were developing countries of Africa, Asia and Latin America. The Convention on the Inter-Governmental Maritime Consultative Organization had recently been amended and structural improvements made to reflect more fully the aspirations of the present membership, to set forth more specifically the responsibilities of IMO with respect to maritime safety and the prevention and control of marine pollution from ships and to make the work of its various bodies more effective. The Organization's name had been changed from "Inter-Governmental Maritime Consultative Organization" to "International Maritime Organization", to reflect its role more accurately. Other amendments related to the status of the various committees and emphasized the co-ordinating and directing role of the IMO Council as the principal governing organ during the periods between the biennial sessions of the Organization's Assembly. At its regular session in November 1981, the Assembly had considered those developments and taken a number of major decisions for the organization of the operations of IMO.

58. At its session in June 1982, the IMO Council had reviewed the situation in the light of the Assembly's decisions and directives and the measures taken to implement them. It had been recognized that the changes made had been both necessary and desirable and that the results had come up to expectations. Further amendments to the Convention, adopted in 1977 and 1979, were expected to come into force shortly. The size of the Council would then be increased further to make it more representative of the Organization's greatly increased membership.

59. A further major result of the amendments would be that the Committee on Technical Co-operation would be formally institutionalized in the Convention, making it the only technical co-operation body in the United Nations system to have such constitutional status.

60. In accordance with the directives of the IMO Council and Assembly, the Organization's various inter-governmental bodies had reviewed their work programmes and methods, with a view to concentrating on tasks of urgent concern to all member States, and the agendas of all committee and sub-committee meetings were being scrutinized with a view to deleting non-urgent

items. The Organization's current policy was to promote the implementation of existing international standards and regulations, rather than to move into new areas. At its session in November 1981, the Assembly had adopted resolution A 500 (XII), laying down the Organization's objectives and priorities for the 1980s.

61. The number of annual meetings convened by IMO had been reduced considerably. Further steps were being taken to control the issue of documentation and reduce its total volume. By such means, substantial economies had already been effected without any sacrifice of efficiency. With fewer meetings at headquarters, the technical experts of member States were able to devote more time to work in their own countries.

62. The first responsibility of IMO was to promote global co-operation among all maritime countries, with a view to the adoption of the highest practicable standards for maritime safety and navigation efficiency. There were over 70,000 ships of all kinds carrying the world's maritime trade, with a total of over 400 million gross register tons, and IMO had developed standards, rules, regulations, codes of practice and recommendations to ensure the safety of ships, their cargoes and the persons on board. Bearing in mind that fisheries, tourism and shore amenities could be badly affected by pollution, it had also developed global standards for ship construction and operation to ensure that the oceans were not polluted by oily mixtures, hazardous chemical substances, ships' waste or sewage.

63. IMO also had the important responsibility of providing technical assistance to developing maritime countries to help them in building up their merchant marines, ports and dockyards, maritime safety administrations, maritime legal systems and training facilities. The highest priority had been given to training, since shipping was a high-technology industry requiring specialist skills for its successful operation. IMO had organized a global network of technical advisory services, and the services of experts in various technical disciplines were available free of charge to all developing countries and were in great demand. The Organization had also organized a large number of global, regional and national seminars and symposia for the benefit of developing countries. With its co-operation, a number of academies had been established at the national and regional levels in the developing world in recent years to provide training in navigation and marine engineering for young cadets. The developing countries themselves had made considerable investment in buildings and equipment for training purposes. UNDP had provided substantial assistance through IMO to many of those institutions. Many developing countries were nevertheless faced with an acute shortage of maritime teachers for their training institutions. Expatriate teachers had been recruited in a number of cases, but such recruitment was very expensive, even as a short-term measure, particularly since it required scarce foreign exchange and could obviously not provide an acceptable long-term solution.

64. IMO had concluded that it was essential to organize special training facilities for the benefit of the developing

countries in general. Such an institution would be beyond the capacity of any one developing country, and it had therefore been decided that it should be located in a place where advanced technical maritime infrastructure was already available. The IMO Assembly had thus unanimously welcomed an offer from Sweden to make available generous facilities for the establishment of a World Maritime University. The city of Malmö in Sweden had offered buildings and technical equipment free of charge. In addition, the Government of Sweden had made a firm offer of a cash grant to meet about one third of the total annual running costs, subject to a ceiling of \$1 million per year and to the further condition that UNDP agreed to provide cash assistance of at least the same amount. He was pleased to report that the initial reactions of the Administrator of UNDP at the session of the Governing Council had been encouraging.

65. The IMO technical co-operation programme was very pragmatic and sought to meet the most urgent requirements of developing countries. However, even its modest programme was endangered by the financial problems facing UNDP, which was by far its most important source of finance. He therefore joined in the appeal for increased contributions to UNDP, at the same time expressing his deep gratitude to those States which had so generously assisted several IMO projects. Through its technical co-operation programme, IMO contributed to the comprehensive programme of economic and social development pursued by the agencies, bodies and programmes of the United Nations system under the co-ordinating direction of the Economic and Social Council, and it remained ready and willing to do all in its power to promote that global effort.

66. Mr. KHANE (Executive Director, United Nations Industrial Development Organization), said that, although in the immediate aftermath of the summit meetings at Cancún and Versailles there had been some hope of a resumption in the dialogue between developed and developing countries, it now appeared that positions would remain inflexible. Moreover, new areas of disagreement and tensions were developing in the political, social and economic fields, which could become dangerous. Such a situation could be met if the international community as a whole rallied to the challenge of development through the stimulation of the demand for goods and services in the third world and the organization of the supply to meet that demand.

67. For the past eight years, UNIDO had tried to make its own modest contribution to third-world development by organizing negotiations on a number of issues and undertaking operational activities with a view to stimulating industrial production. Without any increase in staff resources, UNIDO technical operation activities had risen from \$25 million in 1974 to over \$88 million in 1981, a real increase of more than 50 per cent. However, those efforts were far from meeting the full needs of the developing countries in that field; on the basis of current trends, their share of total world industrial production was not likely to be more than about 16 per cent in the year 2000. To achieve the level of at least 25 per cent, as

envisaged by the Second General Conference of UNIDO and endorsed by the General Assembly at its seventh special session, would entail greater international co-operation.

68. In a number of cases, new machinery to promote closer international co-operation had been developed. Two examples would show what could be done when the political will existed. First, the System of Consultations established in UNIDO had already proved its value as a forum in which representatives of industry, government officials, entrepreneurs and members of the labour movement could examine future trends in industrial development. The System also served to identify areas where, through negotiation, industrial progress could be directed in such a way as to benefit developing and industrialized countries alike. Secondly, machinery had been developed in the vital sphere of industrial technology, such as the Industrial and Technological Information Bank, which, though still a modest operation, had clearly indicated its capacity to assist developing countries in the choice of technology.

69. It was generally recognized, however, that increased financial flows would be required if the industrialization of developing countries was to proceed at a faster rate. The current international framework did not appear adequate to stimulate such flows, and any initiatives in that field seemed to meet with opposition. UNIDO itself had proposed the establishment of an international bank for industrial development. That proposal had been a central issue at the Third General Conference of UNIDO and was still the subject of debate. In his opinion, at a time when new initiatives were clearly necessary, a detailed examination of such a proposal would be definitely advantageous.

70. Another area in which there was clear scope for progress was industrial co-operation among developing countries. Over the past two decades, a number of developing countries, through their own efforts and with the assistance of international organizations, had developed sound industrial bases. Their success was evident in the competitiveness of their manufactures and in their development of indigenous industrial technology. The potential for co-operation between those countries and those at an earlier stage of industrial development was clear, and UNIDO was striving to translate it into concrete programmes and initiatives.

71. Nevertheless, to achieve the goals of the Lima Declaration and Plan of Action on Industrial Development and Co-operation would require the whole-hearted participation of the entire international community. The *World Economic Survey 1981-1982* rightly drew attention to the amount of financial assistance provided in developed countries in order to keep in operation increasingly uncompetitive industries and activities. The studies of UNIDO itself indicated that support for ailing industries was continuing, often with new protective mechanisms. That was one of the difficulties confronting negotiations in the industrial sphere, and so long as such short-sighted and negative policies prevailed, genuine international co-operation would not be possible. A

reappraisal of attitudes was needed, in order to reaffirm the commitment of the international community to a new international economic order.

72. With regard to the important issue of the revitalization of the Economic and Social Council, he renewed his own pledge of full support, as well as that of UNIDO.

73. In conclusion, he took great pleasure in informing the Council that, slightly more than three years after its adoption, more than 80 countries had ratified the new Constitution of UNIDO. He hoped that the launching of the Organization as a specialized agency of the United Nations would take place very soon.

74. Mr. DEMAS (Committee for Development Planning) said that the Committee for Development Planning shared the Secretary-General's concern at the continuing deterioration in the world economy and the serious erosion of international economic co-operation, and it fully agreed that concerted international action was necessary for a broad-based recovery. The interdependence in the world economy was such that only international co-operation could restore growth with price stability. In periods of prosperity, economic interdependence was a source of strength, but in the present recession it resulted in the export of inflation and the transmission of contraction and unemployment from the developed to the developing countries. One of the main reasons was the weakening demand for primary products, but an increasing number of developing countries were also exporters of manufactures, and they suffered not only from the contraction of demand in industrialized countries but from a variety of protectionist measures. The practice of tying aid was also becoming more onerous.

75. The international monetary and financial system was inadequate to meet the needs of global recovery. In the area of payments imbalances, demand restriction was still regarded as the main remedy, even though it was recognized as having a deflationary influence on the world economy. With regard to exchange rates, several countries had reduced domestic inflation by allowing their currency to appreciate, at the cost of intensifying inflationary pressures in other countries. With respect to finance and debt, monetary authorities in the larger developed market economies remained unresponsive to the problem of high interest rates, which had made debt servicing a consuming preoccupation in all deficit countries, threatened the stability of the entire banking system and brought investment projects to a halt everywhere. In the opinion of the Committee, the present high rates of interest were a serious obstacle to international recovery.

76. The Committee saw in the existing trends a vicious circle of international contraction, entailing great suffering in many of the poorest developing countries and the risk of widespread political instability and international tension. It noted with concern the rising trend in military expenditures and the view expressed in some quarters that such spending would help to stimulate economic recovery. In such circumstances, rational economic management (including development planning) was very

difficult, and the objectives of the International Development Strategy for the Third United Nations Development Decade seemed to be invalidated from the start.

77. Against that sombre background, the Committee, through the Council, recommended that all Member States should give urgent consideration to a programme for international recovery. The current political climate might be unfavourable to new proposals for multilateral action, but all nations had a stake in the recovery of the world economy. At its eighteenth session, the Committee had not attempted to draw up such a programme itself. Such a task must be based on the initiative and support of Governments. It wished, however, to indicate some of the measures it considered essential and hoped that the Council would be in a position to discuss and develop its recommendations.

78. It was necessary first to recall Article 56 of the Charter of the United Nations, in which all Members pledged themselves to take joint and separate action for the achievement of conditions of stability and well-being, including full employment. Each country, of course, would choose its own policies, but it should also take into account their impact on the world economy. The deterioration in the international economic situation had in part been due to policies pursued in countries with a preponderant weight in the world economy, as they had sought to solve their problems on a national basis through drastic demand restriction and protectionism. The Committee urged the immediate consideration of the lowering of the high interest rates in the developed market economies. There should be greater emphasis on anti-inflationary policies that would check the cost price spiral with less disruption of the world economy. The Committee also urged the examination of appropriate measures to revive international trade.

79. With regard to the steps that Member States could take through international co-operation, the Committee

stressed the importance of an imaginative use of multilateral financial institutions, urging action in three broad areas. First, it called for the immediate restoration of the resources of IDA to previously agreed levels and its subsequent enlargement, a substantial increase in the resources of the multilateral development institutions, particularly the World Bank, and the creation of an energy facility with a capital financed by voluntary contributions. Second, it sought the immediate resumption of SDR creation and the enlargement of the resources available to IMF. In addition, the Fund should make a greater proportion of its resources available to developing countries on easier conditions and should involve member States in the setting of the terms of loans. In protracted disputes, procedures could be adopted by which a third party or parties might assist in reaching agreement. Third, there should be a significant increase in concessional development assistance, including food aid.

80. Action in those areas would be in the interest of all countries, rich and poor. It would greatly increase the flow of international finance, and would involve only a relatively modest burden on government budgets in industrialized countries—a burden that was negligible when set against the expenditure for arms production, which, in competing for skilled labour and other resources that were scarce even during a recession, was surely more inflationary than any other form of government spending.

81. In conclusion, he said that, as requested by the Council, the Committee had examined the available information relating to six countries and had concluded that Djibouti, Equatorial Guinea, Sao Tome and Principe, Sierra Leone and Togo met the necessary criteria for inclusion in the list of the least developed countries.

The meeting rose at 5.30 p.m.

33rd meeting

Friday, 9 July 1982, at 10.45 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.33

AGENDA ITEM 2

Adoption of the agenda and other organizational matters (*continued*)* (E/1982/79)

1. The PRESIDENT introduced the report of the Committee on Non-Governmental Organizations (E/1982/79), in which it recommended that the Council

should authorize the organizations listed in the report to be heard under the agenda items indicated. If he heard no objection, he took it that the Council approved the Committee's recommendation.

It was so decided.

2. The PRESIDENT informed the Council that the Intergovernmental Committee for Migration had asked to participate in the work of the Council, under rule 79 of the Council's rules of procedure, during the consideration of agenda items 8 (Convening of an International

Resumed from the 30th meeting.

Conference on Population in 1984), 17 (Science and technology for development) and 19 (Operational activities).

The Council agreed to the request of the Intergovernmental Committee for Migration.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)

3. Mr. HINTEREGGER (Austria) said that his country was concerned at the steady decline in the influence of the Council. While it was true that past attempts to reform the structures and procedures had not produced the desired results, Austria, for its part, still preferred a step-by-step reform based on a number of short-term measures, to a full restructuring, which would require a redefinition of the Council's role and mandate. His delegation had already submitted a number of specific suggestions to that effect during the first regular session of 1982. The proposals contained in the working paper submitted by the President on the important issue of the revitalization of the Council (Conference Room Paper 1982/4) should also provide a basis for arriving at specific decisions and recommendations during the session.

4. The almost universal slowing down in economic activity in 1981 confirmed that the world economic crisis was persisting and the *World Economic Survey 1981-1982* stressed the uncertainty of a rapid recovery. Unemployment was continuing to rise in both industrialized and developing countries; no decline in interest rates had so far materialized; the volatility and amplitude of exchange rate movements were often detrimental to the international division of labour, as were tariffs; commodity prices had reached an all-time low, producing extremely serious consequences for the developing countries, which had to rely on exports of a few commodities for their main source of foreign exchange; protectionism had become considerably stronger and an escalation of protectionist measures could no longer be discounted; lastly, recession had dimmed the prospects of any substantial increase in official development assistance. The developing countries were particularly affected by the crisis and their *per capita* output had even decreased in 1981. Naturally, the situation was of even greater concern for the least developed countries.

5. Austria believed that a lasting improvement in international economic relations could be achieved only through a global dialogue and renewed co-operation between industrialized and developing countries. Unfortunately, the recent summit meetings in Cancun and Versailles had not led to an agreement on the launching of global negotiations.

6. Turning to some specific issues, he reminded the Council that Austria attached great importance to the maintenance of a liberal system of trade. The ministerial meeting of GATT to be held at the end of 1982 should be

concerned primarily with measures to contain protectionist pressures and to stimulate world trade. Concerning preparations for the sixth session of the United Nations Conference on Trade and Development, he congratulated the Secretary-General of UNCTAD on his realistic approach and on having succeeded in having the provisional agenda approved by the Trade and Development Board. His country, however, regretted that the text had had to be put to the vote and hoped that no effort would be spared to create a common area of agreement prior to the sixth session. His country was fully aware that the Common Fund for Commodities would not be able to eliminate all the problems which the developing countries were facing, but hoped that that instrument of international co-operation would become operative as soon as possible. Austria had initiated the necessary ratification procedures.

7. Developments in relation to international financial institutions were a matter of considerable concern, in particular with regard to IDA. His country had participated in the general capital increase of the World Bank and in the sixth replenishment of the resources of IDA and was currently considering, together with other countries, the possibilities of providing adequate financial support to IDA in the critical year of 1984. Austria had also participated in the replenishment of the resources of the Asian Development Fund, the Inter-American Development Bank and the Inter-American Development Fund. In 1981, it had joined the African Development Fund and was envisaging membership in the African Development Bank.

8. Within recent years, high priority had rightly been given to agricultural development and food security. Efforts should be made to intensify international co-operation in that field. His country had recently acceded to the Food Aid Convention and had started to contribute to the FAO International Emergency Food Reserve; it had also increased its contribution to WFP.

9. Austria remained convinced that UNDP should continue to be both the co-ordinating centre and the central financing channel for all technical co-operation activities in the United Nations system. In particular, his delegation welcomed the recent re-ordering of priorities in favour of the poorer countries. The fact that the Programme was currently hampered by the stagnation of its resources was a direct consequence of the world economic situation and not a sign of a crisis of confidence in UNDP itself. Within the limits of its resources, his country had constantly increased its voluntary contributions to UNDP during recent years and would continue to do so during the third programming cycle.

10. Experience acquired in the field of science and technology over the past three years and, in particular, at the most recent session of the Intergovernmental Committee on Science and Technology for Development had demonstrated that it was extremely difficult to remove the obstacles to a more effective application of science and technology for development. The establishment of the United Nations Financing System for Science and Technology for Development was of considerable

importance, and it was to be hoped that the progress already achieved would make it possible for a consensus to emerge during the forthcoming consultations.

11. On the question of energy, in relation to which Austria had intensified its efforts in research and development in new and renewable sources of energy, the adoption of the Nairobi Programme of Action was of particular importance. The results of the recent session of the Interim Committee on New and Renewable Sources of Energy were encouraging.

12. Humanitarian matters had always been of particular interest to his country. Austria, which in Europe played the role of a country of first asylum, appreciated the work of the United Nations High Commissioner for Refugees in Europe and on other continents. He underlined the importance of the role of the Office of the United Nations Disaster Relief Co-ordinator in dealing with emergencies brought about by natural disasters.

13. A common element emerged from the documents before the Council and its discussions: lack of funds was frequently the most serious obstacle to economic development and social progress. The interrelationship between development and disarmament could not be ignored and it was shocking to see enormous resources being devoted to military purposes when the needs of large sectors of the population of the world remained unmet. It was to be hoped that the deliberations at the twelfth special session of the General Assembly (second special session devoted to disarmament) would give rise to a growing awareness of the urgent need for a redistribution of resources, making it possible to reduce military expenditure and distribute the funds which would thus become available to meet social needs.

14. Mr. SAOUMA (Director-General, Food and Agriculture Organization of the United Nations) said that mankind did not seem to have realized the danger which lay in the coexistence of a billion human beings living in absolute poverty and a minority threatened by excessive well-being and overfeeding. What was worse still, in the face of that explosive situation, was that military budgets went unchecked and industrialized countries which were hardly managing to reach half of the target for official development assistance of 0.7 per cent of their GNP were regularly devoting 5 to 6 per cent of GNP to arms expenditure. The total of the FAO budgets since its establishment in 1945 covered barely half the cost of one nuclear submarine.

15. Faced with the serious world economic crisis marked over the years by persistent inflation, violent currency fluctuations, very high interest rates, growing underemployment and increasingly acute social tensions, the OECD Council of Ministers had recently reaffirmed that it was essential, in order to ensure continuing non-inflationary growth, to intensify productive investment, increase productivity and maintain a liberal trading system. A further consideration was that, to overcome the crisis, the developed countries needed new markets. The underfed and under-equipped countries of the third world constituted almost unlimited potential markets, and, in his opinion, the key to economic recovery lay in

the expansion of trade with the potential consumers of the third world.

16. However, such expansion presupposed a more equitable organization of international relations. The recent Versailles summit meeting perhaps justified some hope in that respect, because heads of State and Government had once again solemnly approved the principle of opening global negotiations between North and South. The FAO Conference in November 1981 had, for its part, approved the principle of active participation by FAO in the preparation of those negotiations, which should allow the priority review which questions of food and agriculture deserved.

17. In the short term, the world's food and agriculture situation seemed to give rise to less concern than previously. The 1981 harvests had on the whole been good and world grain production had increased by 7 per cent, while prospects for 1982 were reasonably favourable. Unfortunately, progress had been very unevenly distributed; results were favourable in Asia and the Far East, in Latin America, in North America and Oceania, but disappointing in Europe, the Soviet Union, the Middle East and Africa. In the least developed countries, food supplies had decreased by 2 per cent in 1981. Overall, 23 countries were currently suffering from acute food shortages and almost 10 million refugees needed help for their daily subsistence.

18. In the long term, the trend remained disquieting, particularly in Africa. In the previous decade, 37 low-income countries had had a negative *per capita* growth rate of grain production, and in 19 of those countries the absolute volume of production had even decreased. As a result, the developing countries were increasingly forced to resort to grain imports for survival, and those imports had doubled in the previous 10 years to reach the staggering figure of 100 million tonnes. Demand for food and agricultural products in the third world would double during the coming two decades and production would have to grow by some 50 to 60 per cent to sustain a world population of more than 6 billion.

19. In a recent study entitled *Agriculture: Toward 2000*, FAO had made a prospective analysis of world food and agricultural trends and possibilities until the end of the century. It had examined three possible scenarios in 90 developing countries and in the most optimistic of them it had reached the conclusion that the number of undernourished people would decrease from 450-500 million to about 250 million by the end of the century. It was therefore essential to stress the need to implement without delay the global food programme which he had outlined before the Council a year previously and which aimed at stimulating agricultural production by a massive investment programme, by mobilizing more national resources and providing more substantial aid from the international community, by strengthening food security at the world, regional and local levels, by liberalizing access to the markets of developed countries and by ensuring stable and remunerative exports from developing countries.

20. There was no alternative: production had to be

stepped up and the available food must be more effectively distributed. For that purpose, it was necessary to invest more in the agricultural sector and to devote to it a larger share of current budgets and long-term investments. Energy in agriculture was also of capital importance. The Interim Committee on New and Renewable Sources of Energy had pointed out at its recent session the need for the integrated development of rural energy. It had also emphasized the need to overcome the present fuel wood shortage in many countries.

21. According to the FAO study, gross annual investment in agriculture would have to total between \$100 and \$130 billion at 1975 prices by the end of the century. At that level of financing, the growth rate of agricultural production would be close to 3.7 per cent per year, which would make it possible to realize the most optimistic of the three scenarios mentioned. Of course, the poor countries would never be able to allocate such amounts from their resources alone and foreign aid to agriculture remained essential. According to FAO calculations, aid would have to total at least \$12.5 billion in 1990. Unfortunately, a number of disquieting signs of disaffection towards international assistance and the multilateral sector had been noted. Official development assistance, in general, and aid for agriculture in particular, had declined in real value since 1977, a fact that was all the more paradoxical since at each summit meeting it had been recognized that priority should be given to agriculture.

22. Similarly, a gradual slide from multilateral to bilateral aid, supposedly more in line with national interests, was taking place and it was being claimed more and more frequently that salvation lay in the market economy and private enterprise. The question then arose who would invest in the poorest countries and, above all, in the food sector, where commercial profitability was necessarily lower. It was also regrettable that the real resources of IDA, a large part of which normally went to agriculture and rural development, had been cut by more than 25 per cent, and those of IFAD and UNDP by 25-30 per cent. The resources of WFP were also being eroded from year to year and food aid was stagnating, while many needs could not be met. FAO attached primary importance to the question of investment, and projects prepared by its Investment Centre since its establishment in 1964 had generated commitments amounting to some \$20 billion for investments in the third world.

23. In the equally important field of world food security, some progress had been made since IMF had provided new "food facilities" and the International Emergency Food Reserve had reached its minimum target of 500,000 tonnes of grain, but basically the situation remained blocked. The negotiation of a new international grain agreement was at an impasse and the lack of resources and readiness on the part of the international community to finance national or regional food security projects prevented the poorest countries from taking advantage of the current good harvest to establish security reserves. There was no mechanism to guarantee supplies for poor

food-deficit countries. None the less, the elements of a true food security system were known: national stocks, regional arrangements, price clauses and a world security reserve, food aid that was tailored to needs, and a satisfactory mechanism for intervention that was dependable and truly multilateral in emergencies. The only thing that was lacking was the political will. It was to be hoped that that vital issue would have a pre-eminent place in global negotiations.

24. Turning to the controversial question of international trade relations, he pointed out that for developing countries the chronic instability of export markets was a major handicap which could hamper the harmonious implementation of their development programmes and check any possibility of growth. While inflation remained high and production costs in those countries were constantly increasing, their total export revenues stagnated in real value or even declined. To buy necessary equipment at ever-increasing prices, those countries had to sell more and more raw materials at lower prices determined outside their countries without any reference to production cost or to the general development of prices for imported products. The great international financial markets, futures exchanges and speculation always affected market forces to the advantage of the stronger of the parties. That harsh reality, although often contested by importing countries or international groups which were subtly operating in the international market, had been clearly brought out once again in a recent FAO study entitled *FAO Commodity Review and Outlook 1981-1982*.

25. Developing countries' foreign exchange revenue from their agricultural exports had decreased in real terms by more than 3 per cent in 1980, and, as a result, in 1980-1981, 20 developing countries had had to resort to the compensatory cereal financing facility of IMF, and the funds of the European Economic Community STABEX system for the stabilization of export receipts had been insufficient to meet transfer requests. Clearly, without a lasting stabilization of markets at remunerative prices or the launching of a liberal policy for access to markets, trade relations would continue to be unfavourable for the poor countries. Unfortunately, progress in that respect was particularly disappointing; work by UNCTAD on the Integrated Programme for Commodities had not progressed since 1976, and the Common Fund for Commodities had still not been set up, which was all the more regrettable since a series of projects that might be financed by the Second Window of the Fund had been prepared with the help of FAO.

26. Meanwhile, many protectionist tariff and, particularly, non-tariff measures were still hampering the export of primary commodities and manufactured products from developing countries. It would be desirable for the GATT ministerial meeting in November 1982 to decide on a substantial liberalization of agricultural trade, especially for commodities of interest to developing countries. Those countries should take that opportunity to develop trade relations among themselves and give decisive impetus to their mutual economic co-operation.

27. The FAO study entitled *Agriculture: Toward 2000* soberly revealed the world's responsibilities. Unless the trend could be reversed, misery and hunger would spread inexorably; however, it was possible to reduce those scourges by rearranging priorities and policies. On the basis of the long experience of FAO, he had briefly sketched the main lines of a global programme to combat malnutrition and hoped that the Council would be able to give it support. The programme was realistic; it could be carried out and financed. However, it presupposed a political will for action and a radical change of attitude. The problem was above all a political one which must be treated as such and given the necessary priority.

28. Mr. NAIK (Pakistan) noted that the world economic situation presented a discouraging prospect. The recession, which was affecting most countries, was leading to attitudes and practices which were having repercussions on international economic relations. The world economy was at a low ebb, but the most serious problem was perhaps the sharp deterioration in North-South relations. There was a danger that the slow-down in international co-operation might do lasting damage not only to the rate of development of the poorer nations, but also to the economic prosperity of the world as a whole.

29. The persistence of the world recession was clearly brought out in the reports submitted to the Council. They showed that at the global level, GDP had increased at less than 2 per cent per annum in the first three years of the present decade. World economic activity reflected the conditions and trends of the developed market economy, even though growth rates were faster elsewhere. Consequently, one of the chief causes of the problem was the deep recession affecting those countries. That recession had inevitably had important repercussions on world trade, and it was exported, through trade, to the developing countries. In addition, its impact on the developing countries' trade and exports was further magnified by protectionism. It was world trade which, by expanding at a rate of 8 per cent a year during the 1960s and at a slightly reduced rate in the 1970s, had permitted a sustained growth of production and of prosperity through the restructuring of activities between nations. The abandonment of more liberal trade practices would cause serious damage to growth and living standards in all countries of the world.

30. In 1981, the growth in world trade had halted and even decreased; in addition, the structure and composition of trade and the earnings of developing countries had suffered the effects of fluctuations in the exchange rates. Those fluctuations had chiefly affected the poorest countries, which were unable to adjust the composition and distribution of their exports with sufficient rapidity. In addition, the determination of exchange rates seems to be governed less and less by competitiveness and more and more by interest rates and capital flows. For that reason, currency rates were subject to speculative and destabilizing forces which made it impossible to plan medium-term programmes. Countries were tending increasingly to adopt administrative measures to protect their industries, so that at present exchange rate

instability could be said to be reinforcing protectionism.

31. If the current phase of instability and stagnation was to be brought to an end, the developed market-economy countries should take collective action; there must be an end to the obsession with inflation. It was true that the fight against inflation was one of the major subjects of concern throughout the world; however, the pursuit of that objective should not mean that all other objectives were overlooked. Hitherto, inflation had been successfully curbed, but at the cost of development in the poor countries and of employment in the rich countries; it was neither necessary nor desirable to pay such a high price. The developed market-economy countries should opt for a more balanced approach. They should attempt to harmonize their fiscal, monetary and anti-inflation policies, if the instability in exchange rates were not to continue to damage the world economic order in general and the prospects of developing countries in particular.

32. Recession and protectionism had eliminated any possibility of export growth, and the developing countries were increasingly obliged to pursue the extremely costly policy of development in isolation. In addition, oil-importing developing countries, and especially the poorer among them, had suffered serious setbacks in their terms of trade. The growth rate of energy-importing developing countries had fallen from 5.6 per cent a year in the 1970s to 1.4 per cent in 1981. In many instances, that fall had led to a decline in real *per capita* income.

33. It was therefore necessary to restore growth in world trade, to lower barriers to exports from developing to developed countries, and to organize rates of exchange on a fairer basis. But that was not enough: there was also an urgent need to improve conditions for aid and to provide wider access to capital on reasonable terms. Over a decade previously, the world community had set a development aid target of 0.7 per cent of GNP; not only had there been no progress towards that target, but all the signs indicated that that aid would even fall below the level of 0.34 per cent of GNP which it had now attained.

34. At the same time, there had been a sharp increase in interest rates. Several countries had consequently been cut off from access to commercial capital, either because they found the cost of borrowing prohibitive, or because banks were reluctant to lend them at such high rates. Other countries had managed to continue to obtain funds, but their debt burden had risen inordinately.

35. The developing countries had made considerable efforts to withstand the stresses produced by external forces: in the case of Pakistan, there had been a 25 per cent deterioration in the terms of trade, a reduction in external aid, and a vast refugee problem. Despite those extremely adverse circumstances, Pakistan now produced enough food grains to meet its needs, and had succeeded in maintaining GDP growth rates of 6 per cent for the last five years; however, it had had to slow down its development efforts.

36. Almost all the developing countries had been forced to do the same and to resort to adjustment measures, which had resulted in the perpetuation of poverty and

famine far beyond the expectations even of the poorest countries, the retardation of the process of modernization in the slightly more advanced countries, and the widening of the gap between rich and poor. All three worlds had become more than ever entrenched in their positions, because developed market-economy countries, over-preoccupied with internal considerations and price stability, were pursuing policies which did not meet current needs and led more to inequitable stagnation than to equitable growth.

37. The developed countries should no longer shift the burden of adjustment on to the weakest, but should share it more fairly; they should not preach efficiency only for the developing countries, but should practise it on world markets; lastly, they should have the breadth of vision needed to bring about a higher degree of prosperity for all. The forum in which such a change could begin already existed: it was the global North-South negotiations, which were currently at a standstill. If progress was to be made with reform and programmes of action, such as those which had been recommended by the Brandt Commission, narrow policies must give way to a wider vision.

38. Delegations had become accustomed to meeting every year to consider a deteriorating world situation. But the chronic international malaise should not lead to a hardening of attitudes in the face of the needs of developing countries, which in recent years had been experiencing increasing difficulty in the uphill task of recovery. Although the rate of their development had slowed down, the developing countries had drawn comfort from the deep concern shown by the world community for their plight. Unfortunately, more concern was shown for adjustment than for development, and there was evidence of real indifference to the special needs of the poor, the backward and the underdeveloped. That kind of deadening of the conscience must be resisted at all costs.

39. Mr. ROZENTAL (Mexico) noted that the *World Economic Survey 1981-1982*, which was the subject of the general debate, painted a sombre picture of the international economic situation: rates of economic growth were expected to remain very low throughout the world, new imbalances in international payments were appearing, and adjustments in the field of trade and industry were encountering considerable difficulties. The situation was particularly serious for the developing countries, because their GNP growth rate was lower than the rate of population increase, resulting in a more pronounced decline in *per capita* GNP.

40. The world economy had been suffering from that critical situation for nearly 10 years: since 1973, it had not been possible to embark on a course of continued growth and development, despite the various diagnoses and solutions that had been offered. Only three years ago, the blame for that situation was being laid on the rigidity of certain markets such as the oil market, the labour market or the currency market, but it could be seen today that most of the developed market-economy countries had adapted to the changed situation in the oil and labour markets and also to developments in the international

currency market. However, there had been no resumption of the growth of earlier decades. The current crisis had also been attributed to expansionist economic policies. The majority of the developed countries practised strict fiscal and monetary control, which did not prevent interest rates from reaching levels that were so high as to have adverse effects on investment and consumption. There, too, no satisfactory solution had been found.

41. His delegation, while not wishing to attempt a new diagnosis, wished to draw attention to a factor which, in its view, had not been accorded sufficient importance. That factor was the increasing contradiction that existed between national economic measures or policies and the international character of current economic problems. Thus, approximately 17 per cent of the GNP of developed countries was now devoted to exports, whereas barely 10 years ago that percentage had been only 10.5 per cent. That fact clearly showed that, for the sale of a high proportion of the goods they produced, those countries depended increasingly on the trade systems, exchange fluctuations and credit policies of other countries.

42. The current situation in the oil and food products markets was another aspect of the problem: production was concentrated in a few exporting countries, and was therefore governed by the policies of those countries. On the other hand, there were the consumer countries, which might fear that their national security was threatened by sharp price fluctuations or by interventions that disturbed the market. A further illustration of the impossibility of solving international problems by exclusively national measures was the way in which monetary policies were currently being used as a device for internal stabilization.

43. It was often the case that international movements of capital caused by forces that were themselves produced by international factors lessened the effectiveness of monetary policies, or even counteracted their effects. The international dispersal of savers and investors was a fourth example of the same problem: savings accumulated in one country ended by being invested in other countries, in order to obtain a better rate of return. That state of affairs had created debt problems in certain countries and had caused certain financial centres to fear future liquidity crises. No consistent and world-wide solution to the problem had been found.

44. There was no doubt that the rate of the globalization of the world economy would increase in the years ahead if it was desired to attain a better international distribution of labour and better chances for all. But if that aim was to be achieved, some of the international "rules of the game" must be rewritten, in order to prevent one country from using its influence to impose measures on others. National policies adopted to solve international problems had hitherto only succeeded in exacerbating those problems; such policies had led to the creation of strong protectionist pressures, considerable fluctuations on commodity markets, and international financial speculation. The result had been a marked decline in investment and insufficient capital growth, factors which

were the root cause of the problems of growth and imbalance to which he had referred.

45. There was therefore a need to reach agreement on international problems for which no concerted solution had yet been found at the international level. Such a consensus should take into account the legitimate interests of all countries with regard to reciprocal advantages and national security, but should also avoid the "beggar-my-neighbour" policies that had been followed so far. It was as a step in that direction that Mexico had welcomed the international summit meeting on co-operation and development which had been held at Cancún in October 1981. Heads of State and Government of countries representing very different levels of development and diverging economic theories had defined four priority sectors which should form the basis of a new international consensus: food security and agricultural development; commodities, trade and industrialization; energy; and monetary and financial questions. In the first sector, it had been stressed that the international community should solve the problem of food security in the short term by protecting countries from fluctuations in the international market in food products. In the medium term, self-sufficiency in food should be promoted by the transfer of production technology, technical equipment, and financial aid to agriculture. The World Food Council, which in June 1982 had held its eighth ministerial session at Acapulco, Mexico, had recommended measures to that end, including increased assistance to rural development, improvement of the agricultural infrastructure, greater investment in human resources and the elimination of obstacles to trade in the food and agriculture sector.

46. The second subject of concern related to commodities, trade and industrialization. In that area, there was a need to protect various developing countries against the effects of fluctuations in the commodity market, in so far as those fluctuations affected their foreign exchange earnings. To that end, there should be a large number of agreements stabilizing commodity markets and promoting industrialization, especially by combating protectionism. The recent delays in connection with the Integrated Programme for Commodities did not hold out much hope in that area for the immediate future.

47. In the field of energy, a complete transition process should be set in train, with a view to utilizing sources of energy other than oil and ensuring that energy-importing developing countries were not penalized by price fluctuations. Lastly, there were a number of problems to be solved in the monetary and financial field. As early as 1979, the developing countries had submitted a joint proposal for a review of the international monetary system; that proposal would make it possible to rationalize international financial flows so that the major part of the resources on world financial markets could become the driving force of development.

48. That would be the minimum basis for an agreement on the establishment of an international order in which responsibilities were shared by all, and in his view that was the only way of obtaining conditions favourable to

economic growth. To that end, the developing countries had made a new proposal: a programme of global negotiations. The negative trends in the world economy must be halted, and a process of revival must be initiated which would permit the developing countries to play a more dynamic role. The proposed global negotiations would include a series of measures in the four fields he had referred to, and should be part of a consistent and integrated programme.

49. At Cancún, all Governments represented at the summit meeting had entered into a moral commitment to make progress towards the opening of global negotiations. Nine months later, there had still been no agreement on a draft resolution marking the start of that long and difficult undertaking. The Mexican Government had recently participated actively in New York in the search for compromise formulae which would make possible the adoption of the draft resolution. The Secretary-General of the United Nations had declared that in his view no substantial progress could be made at the present stage of the process, and that those concerned should await the outcome of the forthcoming series of consultations to be held by the President of the General Assembly.

50. Prospects for success on that occasion appeared favourable, since the United States representative in the Council, in his statement the previous day (31st meeting), had reaffirmed the undertaking given by the President of the United States at the Cancún and Versailles summit meetings and had expressed his intention to continue the search for common ground. Mexico wished once again to urge that the discussions should be brought to an end as early as possible and that the real work should be begun. The Group of 77, for its part, had expressed its desire to adopt a flexible, positive attitude, and it was willing to compromise, as it had shown by accepting two of the four amendments to the draft resolution that had been submitted, and by proposing different wording for the two other amendments. Mexico hoped that the advanced countries would continue to show goodwill and would accept the counter-proposals of the Group of 77. If the impetus generated by the Cancún and Versailles summit meetings was allowed to slacken, then an initiative which offered the most important single prospect for the 1980s for economic negotiation at the multilateral level would have to be abandoned.

51. In conclusion, he said that the Mexican Government wished to express its grave concern at certain recent events which had shaken the very foundations of international economic coexistence. Mexico reaffirmed its refusal to countenance economic sanctions of any kind whatever against States Members of the Organization which were not the result of decisions adopted within the strict limits of the Charter of the United Nations. World economic relations were already subject to serious enough pressures and problems, and such practices could only exacerbate them; it was to be hoped that they would not be repeated. Mexico, which had been in the forefront of the struggle for a new international economic order,

would continue to believe that its stand would be vindicated by reality.

52. Mr. M'BOW (Director-General, United Nations Educational, Scientific and Cultural Organization) said that although economic problems, in the strict sense of the word "economic", did not fall within the competence of UNESCO, all its activities, which supplemented those of other specialized agencies of the United Nations, were aimed at economic and social progress and peace in the world. At a time when UNESCO was beginning the consideration of its medium-term plan for the period 1984-1989, with a similar horizon to that of the Third United Nations Development Decade, he wished to refer to the methods used for the preparation of the plan and the analyses which gave rise to some of its basic salient features, indicating the links which might exist between those salient features and some of the items on the agenda of the current session of the Council.

53. The preparation of the UNESCO medium-term plan for the period 1984-1989 was the result of a long process in which a system of evaluation which had been gradually perfected was incorporated. That system had allowed the major organs to follow the implementation of the preceding plan (1976-1982) better and had enabled the secretariat to decide on the relevance of the activities it contained and the efficiency of their implementation. In the light of the experience acquired during the preparation of the first plan, the results obtained during its implementation and the evolution of the world situation, a preliminary document had been submitted to the General Conference at its twenty-first session in September-October 1980, covering the world problems for which UNESCO should be able to help to find a solution. In its resolution 100, the General Conference had established the bases for the work of preparing the plan; that work had been spread over nearly two years and had given rise to very wide-ranging consultations among member States and international organizations and in intellectual circles generally; in particular, over 100 member States had replied to the questionnaire addressed to them. The replies showed how the member States of UNESCO, which belonged to different regions and economic and social systems, saw the world and the major problems facing the international community in general and UNESCO in particular. Account had also been taken of the secretariat's consideration of themes such as "the future of education", "science, technology and society" and "tasks and challenges for social sciences in the 1980s".

54. The draft medium-term plan, which would be considered by the General Conference of UNESCO at its fourth special session in November 1982, was in two main parts: the first was an analysis of world problems followed by a list of current challenges and of missions which UNESCO could undertake during the period 1984-1989, and the second was a description of 13 major programmes oriented towards reflection and action, which should constitute the basis for the activities of UNESCO during the six years under consideration. Each major programme concerned problems referred to in the first part

and indicated the objectives sought and strategies proposed.

55. Three general observations could be made with regard to the medium-term plan; they related to agenda item 3 of the Council concerning the general discussion of international, economic and social policy. Firstly, reflection by UNESCO had led it to believe that economic and social problems were closely linked and were part of the reality of societies faced with extremely rapid change. Any view which tended to isolate such problems from each other would lead to partial and random solutions. The problem of unemployment, for example, was explained by many factors, but the tendency was frequently to consider only those relating to the current economic situation, without taking into consideration the profound realities of the various societies and the changes which were taking place within them. In the developing countries, where archaic means of production were used, the origin and forms of unemployment were not the same as in the highly industrialized countries; and in the latter, insufficient attention was given to the problems of the new skills required by the rapid development of technology and to the fact that training systems had not kept up with the changes which had taken place in production conditions and means. Thus, the solution to unemployment problems appeared to depend not only on giving fresh impetus to the economy, but also on seeking new means to organize collective life and therefore on a new vision of social and cultural choices.

56. The second observation concerned the need to reconcile short-term and medium-term forecasts in development planning. The current trend was to consider only actions whose effect was immediate and to neglect those which only bore fruit in the very long run, an approach that could seriously compromise the future. The developing countries, for example, could never play a role in international trade corresponding to their aspirations and could not even achieve self-sufficiency in food, without a considerable increase in their scientific and technical capacities. But scientific development called for long and persistent effort, and, if the international community wished to assist those countries in solving their problems themselves, it should give very high priority to scientific and technological development in those countries. That was one of the conclusions which UNESCO had drawn in its preparatory work for the new medium-term plan.

57. The present times were characterized by tensions and constraints—the danger of nuclear, chemical and biological weapons, human rights violations, threats to the environment, the reduction of resources allocated to development and social progress, declining economic growth, progressive inflation and unemployment, persistent inequalities and the extensive needs of poor, illiterate and underfed populations. At the same time, however, resistance to the uniformization of the values imposed by the consumer society, the claim to a cultural identity, with the recognition of local and national cultures which accompanied it, the very rapid progress of science and technology, and some recent developments in

the fields of data processing, communication, information, biology and biotechnology gave cause for hope in the future. Obviously, views might differ with regard to the origin of the tensions and difficulties and the means of eliminating them. UNESCO, for its part—and that brought him to the third observation—was endeavouring to co-operate with all member States within the areas of its competence in order to reduce some of the inequalities produced by the current international economic system. In view of the growing interdependence of the various nations of the world, it seemed essential to make that interdependence more equitable. It was therefore important to create the conditions to enable each nation to manage its development according to its own options, without running the risk of being subjected to pressure or harassment. The efforts of all peoples should be supported, the mobilization of the full potential for creativity of each of them should be encouraged and the participation of each individual in the collective effort of a nation should be sought. Those were some of the general principles underlying the salient features of the UNESCO draft medium-term plan for 1984-1989. Those orientations were in line with the ideal which inspired the search for a new international economic order that was more just, and the activities they called for would help to achieve the objectives of the Third United Nations Development Decade.

58. The tasks of UNESCO for the 1980s were based on its constitution, which emphasized the role of spiritual activities in the orientation of mankind's historical evolution. Thus, the central role of UNESCO was to be a permanent forum for the exchange of ideas and reflection on the nature and scope of mankind's problems, in order to throw light on the areas of agreement which could give rise to joint action to meet the aspirations of all peoples to peace and progress. A number of specific tasks derived from that role: contributing to reflection on world problems and to awareness of them; contributing to creating the conditions for broader participation by individuals and groups in the life of the societies to which they belonged and that of the world community (through the eradication of illiteracy and the development of communication); contributing to development and the sharing of knowledge, as well as to the ability to use that knowledge to solve the problems facing various societies (progress in education, adaptation to the needs of individuals and societies, the development of research and training in the various scientific fields and of broader access to specialized information, particularly scientific and technical information); contributing to the achievement of certain changes and transitions necessary for development which would make the well-being of individuals and the progress of peoples possible, to the control of science and technology, and to the rational utilization of the environment and the management of natural resources, all of which were areas of activity in which interagency co-operation was already very close and in which UNESCO would endeavour to strengthen international co-operation still further; and lastly, underlining the convergence of fundamental values common to different

cultures, so as to promote greater understanding among peoples and further the cause of peace and respect for human rights (through the promotion of culture, the fight against intolerance, prejudice, racism and *apartheid*, and the promotion of research and education concerning peace, disarmament and human rights). It was important to prevent indifference and cynicism—particularly in the minds of the younger generations—the tragic consequences of which were already evident.

59. Through a set of converging activities carried out within the framework of the 13 programmes contained in its draft medium-term plan, UNESCO would be able better to contribute to the United Nations effort in the fields of development, peace, justice and solidarity. Member States of UNESCO would be happy to welcome the President of the Economic and Social Council if he wished to attend the next special session of the General Conference, at which the UNESCO draft medium-term plan for the period 1984-1989 would be considered.

60. He hoped that the Economic and Social Council would be able to devote one of its sessions to a detailed exchange of views on the salient features of the medium-term plans of the various United Nations agencies, since that would undoubtedly help to revitalize the Council and would enable it better to carry out its responsibilities.

61. Mr. MAKEYEV (Union of Soviet Socialist Republics), speaking in exercise of the right of reply, said that, at the Council's 31st meeting, the representative of the United States of America had, as was his Government's wont, slandered socialism as a system and stated that the USSR was currently incapable of solving its agricultural problems, whereas, before 1917, Tsarist Russia had exported grain. What the representative of the United States had omitted to mention was that Tsarist Russia was a backward country whose leaders had sold wheat abroad while at home 70 million people (or 47 per cent of the population) did not have enough to eat. If that was the export-oriented type of economy to be proposed now for the developing countries, it could only be considered acceptable by those who could accept the fact that, in their own developed country, millions of people did not have sufficient food or satisfactory housing, a point ignored by the official statistics.

62. Furthermore, the USSR did not have the benefit of natural conditions that were favourable to wheat production. Climatic conditions comparable to those of the United States were to be found on only 3 per cent of its agricultural land. Despite that fact, average *per capita* calorie consumption in the USSR was comparable with that of the Western countries or the United States. During the 1970s, the USSR's agricultural production had increased by 50 per cent compared with the 1960s and *per capita* consumption was rapidly increasing. The USSR imported cereals merely because it was making use of the international division of labour, selling important raw materials on the world market—energy, as well as food and fodder products—and buying grain from countries which were the traditional producers of grain and wished to sell to it. It did not use force to guarantee the security of

its supplies, unlike the United States, which proclaimed the regions from which it imported oil and certain raw materials "areas of strategic interest", so that subsequently it could threaten those regions with the dispatch of rapid deployment forces.

63. The members of the Council might perhaps like to hear about the facts published in the May 1982 issue of *Development Forum*: the United States imported more meat than it exported, not to mention fish, which was even imported from African countries where famine was rife. If the massive financial resources which transnational corporations siphoned out of the developing countries to the benefit of the Western countries were also taken into account, people would recognize, as Professor G. Kent did, that the poor fed the rich.

64. During the general debate, another delegation, listing the disquieting events which overshadowed the horizon, had "forgotten" to mention the colonial war of aggression which had just ended in the South Atlantic. It was difficult to imagine that £2 billion had been spent on protecting the interests of a handful of colonialists and 600,000 sheep. It would seem more likely that such aggression could be explained by the smell of oil and not that of mutton.

65. The description of Western society as a "prosperous society", when it was undergoing the deepest recession recorded since the end of the Second World War and had 30 million unemployed, could only be regarded as ironical. Although that crisis was inherent in the capitalist system, in the view of certain experts and some of the reports before the Council, it had been further aggravated recently by the economic policy of the Reagan administration.

66. Another delegation had expressed regret that the

Red Cross mission had not been allowed into Beirut. It would be more appropriate to ask who had financed and armed the Israeli soldiers who had sown death in Lebanon. Furthermore, those who deplored violations of human rights in general and of the rights of certain persons in particular would do better to bear in mind that a whole people had been expelled from its country, Palestine, and that it was customary in the United Nations to speak of genocide when referring to such acts.

67. He rejected the attempt at interference in the internal affairs of the socialist countries, which were the result of a crusade against socialism, as unacceptable and unfounded. In the past, such attempts had always failed.

68. Mr. SORZANO (United States of America), speaking in exercise of the right of reply, thanked the representative of the USSR for the geographical and climatic information he had given the Council with regard to Soviet agriculture. In his statement, he had wished to stress the stimulating role of private initiative. It was well known that, in the USSR, small private plots were more productive than large collective farms. He wondered whether the former enjoyed more favourable climatic conditions than the latter.

69. Mr. MICHAEL (United Kingdom), speaking in exercise of the right of reply, expressed regret regarding the remarks made by the representative of the USSR with regard to the war which had taken place in the South Atlantic. He reserved his delegation's right to return to that subject subsequently if necessary.

70. Mr. MAKEYEV (Union of Soviet Socialist Republics), speaking in exercise of the right of reply, said that he reserved his delegation's right to return to that subject, upon which there was still a great deal to be said.

The meeting rose at 1 p.m.

34th meeting

Friday, 9 July 1982, at 3.15 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.34

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)

1. Mr. COREA (Secretary-General of UNCTAD) said that, in his opening address (30th meeting), the Secretary-General of the United Nations had underlined the extent, depth and gravity of the economic crisis facing the world today. He had pointed to the great danger inherent in the situation, a danger that would inevitably take on political and social dimensions. It was a situation that spelled

trouble for all countries, with the weakest being the hardest hit. As the Secretary-General had said, Governments must respond to that state of affairs not only individually but also collectively. There were hardly any signs that the crisis would pass, either of its own accord or as a result of any actions taken so far. On the contrary, many actions had served to aggravate the situation and to transmit difficulties over national boundaries. Up to the present, there had been only a downwards spiral and the parallel with the 1930s was ominous.

2. In his statement, the Secretary-General had called for an international response to the situation in the form of a programme for world economic recovery. He had indicated some of the essential elements of such a

programme and drawn attention to the fact that the United Nations system offered a number of forums in which Governments could concert their policies. It was in that context that he himself wished to bring to the Council's attention the preparations that were under way for the sixth session of the United Nations Conference on Trade and Development, which was to be held at Belgrade from 6 to 30 June 1983.

3. Governments would have an exceptional opportunity at that session to conduct a serious and well-prepared interchange of views on key issues in the field of trade and development against the background of the current crisis; that interchange must have as its aim constructive responses and concrete action. The first session of the Conference, in 1964, had proved to be an occasion when many new and major issues had received the attention of Governments and when, perhaps for the first time in a systematic manner, the emergence of new countries on the world economic scene had taken on particular significance. Subsequent sessions had served the broad objective of responding to changing circumstances, but had also focused on particular issues and gained international endorsement for action in a number of crucial areas.

4. In his opinion, the sixth session of the Conference provided an opportunity for approaches and responses to a changed situation. Inevitably, it would be greatly influenced and even dominated by the international setting against which it would convene. The world scene at present was vastly different from that of 20 years ago. In the 1960s, the industrialized countries had still been on the path of unprecedented growth and expansion, with world trade, mostly among those same countries, growing at over 10 per cent per year. The growth of the developing countries had benefited as a by-product of that process and international discussion at that time had centred round the manner in which those benefits could be widened and how the developing countries could share more fully in world prosperity. Now, however, virtually all projections pointed to relatively slow growth for the developed countries in the years to come. Declining productivity growth, continuing internal inflationary pressures, the increasing scarcity of essential materials—not to mention growing arms expenditures—were all facets of the situation expected for the industrialized countries in the years ahead.

5. Important conclusions flowed from those changes. The developing countries were more than ever in need of external resources for their development, of access to markets, especially for manufactures, and of stable and remunerative prices for their primary products. But those needs had to be met in a setting that was different from that of two decades previously: there was little prospect that they could be satisfied as a mere by-product of the growth and prosperity of the industrialized countries, as had been recognized in the mid-1970s in the concept of a new international economic order, with its emphasis on the twin themes of changes in international economic relations and collective self-reliance. However, the sharp recession of later years had added new dimensions to the

problem. The developing countries—or indeed any group of countries—could not achieve their goals of growth and expansion against a background of stagnation and instability in the industrialized countries and an ailing world economy whose ills could only be intensified and aggravated by the stagnation of the developing countries and the cessation of the development process.

6. One of the positive changes of the past 20 years had been the growing presence of the developing countries on the world economic scene. At present, the developing countries were an important part of the world market for goods and services, and an important source of finance and essential materials. The health of their economies had a bearing on the health of the economies of the industrialized countries, indeed on that of the international economy as a whole. That was one of the factors which made the reactivation and acceleration of development essential components of a programme for world recovery. It was a factor that could add a new dimension to the manner in which issues in the area of international economic relations were dealt with at the sixth session of the Conference and elsewhere.

7. It was against that background that he viewed the significance of the provisional agenda for the Conference, adopted the previous week by the Trade and Development Board. The Conference was focused on four broad themes. Firstly, it would consider the overall economic situation in both its immediate and long-term aspects. As the Secretary-General of the United Nations had pointed out, there was no assurance that the end of the current recession was in sight or that Governments had found the right mix of policies to deal with the problems of inflation and unemployment and to prevent the transmission of recession to the developing countries. Secondly, the Conference would deal at its sixth session with issues in the area of world trade. That had always been an essential theme of sessions of the Conference, but in the current setting there were new developments and disquieting trends to which responses were urgently needed. The volume of world trade had virtually stagnated for two successive years. In addition, trade policies were being subjected to intense and rising protectionist pressures. In many important fields, the developing countries had been frustrated in their efforts to gain access to markets for the products of their emergent capacities. The socialist countries and some of the developed market-economy countries themselves were suffering similar experiences. That situation raised important and urgent questions relating to the future pattern of the world trading system and whether it would be consistent with the needs of an expanding world economy and assist the development of the developing countries.

8. A third crucial issue on the agenda of the sixth session was the sphere of money and finance in relation to the problems of trade and development. In the current situation, financial flows of all kinds were subject to severe constraints. The Secretary-General of the United Nations had drawn attention to the difficulties of IDA and UNDP and to the effects of the prevailing high interest rates. There were growing problems in the area of the

external debt of developing and other countries. Shifts were occurring in payments balances whose implications for the channelling of funds were not yet clear. Those were questions of vital concern to all countries; consequently, a financial system that could effectively and efficiently mobilize and channel resources and an aid policy responsive to the needs of the weakest countries were essential elements in any programme for world economic recovery.

9. World trade in commodities would also be a central theme of the sixth session of the Conference. Commodity trade had been the principal channel for the transmission of recessionary forces to the developing countries, and commodity prices in real terms had now reached their lowest point in a generation. In his view, if faster progress had been achieved in the implementation of the Integrated Programme for Commodities, the situation currently facing the world would not have arisen as acutely. The Conference must return at its sixth session to the commodity issue and consider not only the stabilization and strengthening of commodity markets but also such other dimensions as the marketing, distribution, transportation and processing of commodities and the need for an adequate and useful system of compensatory financing of shortfalls in commodity export earnings.

10. A programme for world economic recovery and development must pay attention to the poorest and weakest countries. The agenda for the sixth session made particular provision for a review of progress in that area. It also made provision for the Conference to consider and act upon a number of other important subjects which had been the concern of UNCTAD and where activities could be strengthened and reinforced. They comprised technology, shipping, the land-locked and island developing countries, trade between countries with different economic and social systems, economic co-operation among developing countries, assistance to national liberation movements and institutional questions.

11. It was vitally important that the sixth session of the Conference should be exceptionally well prepared. A special responsibility rested on the Secretariat for the preparation of documents of high quality. It was his intention to make the documents on the principal themes of the Conference available to Governments well in advance and, since any successful conference required an intensive pre-conference process of dialogue and exchange of views, he had himself taken every opportunity to inform representatives of Governments of progress in the preparatory process and to encourage an interchange of views, from which the Secretariat itself would benefit greatly. The maximum involvement on the part of all concerned at an early stage was essential for success, and the formal mechanisms available should be used to help to advance issues. For that reason, he had urged the participation of senior policy-makers and experts from the various capitals in the preparatory work.

12. As the Secretary-General of the United Nations had said, the several aspects of a programme for world economic recovery would need the attention of many forums. The global negotiations themselves envisaged a

wide-ranging process encompassing a number of critical issues. In his opinion, the work of the Conference at its sixth session and that of UNCTAD itself would contribute to that total effort. The sessions of the United Nations Conference on Trade and Development had never been easy, and inevitably the issues before them had been difficult and complex, but it was his hope that the critical nature of the situation and the universal interest in finding a solution would add a new dimension to the sixth session.

13. With realism and imagination, the Conference would prove to be an event that would do justice to expectations and to the generosity of the Government of Yugoslavia in offering to act as host.

14. Ms. BOSKEY (World Bank) said that the previous year the Bank had noted the bleak prospects for the oil-importing developing countries and had concluded that, in the indifferent global economic environment, the developing countries could not be expected to perform as well as they had done in the 1960s and, to some extent, in the 1970s. The prospects of low-income countries had been particularly likely to be set back, as a result of the repeated external shocks to their economies, while the middle-income countries, in contrast, had been expected to be able to accommodate the worsened economic circumstances by forgoing only a modest amount of growth.

15. The Bank's overall assessment had not changed, although it appeared that the international environment would be even less propitious than foreseen. Aid flows were likely to rise only slowly in nominal terms. New debt would be costlier and the repayment of existing debt was likely to be eased less by inflation than had been the case in the 1970s. It might be harder for developing countries to repeat their achievements in export growth and increased penetration of industrialized country markets, especially if the movement towards protectionism spread.

16. The performance of developing countries would continue to depend not only on the international environment but also on domestic circumstances. While it was not possible to be optimistic about the immediate future, there was hope over the longer term because of the extraordinarily prudent way in which many developing countries had been managing their economies. Good management had made those economies exceptionally resilient to adverse external pressures.

17. The middle-income countries had suffered a decline in their growth rates in 1981, but they would probably recover quickly and return to a high growth trend. That was particularly likely in the case of the newly industrialized countries, whose expected future rates of growth would stimulate not only the industrialized countries but the poorer countries as well. The newly industrialized countries—some 25—now constituted a remarkably dynamic pole of economic activity with influence that reached far beyond their own borders.

18. The situation of the low-income countries, particularly in Sub-Saharan Africa, however, gave cause for grave concern. Their economic prospects remained poor and unless there was an improvement in their terms of

trade and an increase in the level of concessional assistance received, and unless they themselves devoted substantial efforts to producing more food and energy, their real income would inevitably decline. The problems faced by the developing countries, particularly those in Sub-Saharan Africa, were structural. It would take time, a concentration of domestic attention and a large inflow of resources to overcome them. There was a danger, however, that the current difficult global economic situation might divert attention from long-term concerns. The main problem for the time being was how those countries were to finance their large current-account deficits.

19. The sluggish growth of the world economy since 1979 had affected the developing countries in many ways. It had dampened the expansion in world trade and depressed the prices of the commodities on which they relied for their export earnings. In 1981-1982, world trade had failed to increase and prices of industrial raw materials had fallen still further. In 1981, the index of commodity prices had dropped to its lowest level since 1945, and it seemed likely to remain below the average for the 1970s for the rest of the present decade. Furthermore, despite recession in the industrialized countries, interest rates had remained high. Consequently, those developing countries that had borrowed heavily faced much higher costs in servicing their outstanding debt. Interest payments by the oil-importing developing countries had been \$10 billion higher in 1981 than in 1980. Although inflation in the industrialized countries had eased in the last month of 1981, both nominal and real rates were still high. While the slow-down in the rise of oil prices had been a mitigating factor, its benefits had been diluted by the appreciation of the United States dollar, which had risen by 10 per cent against the SDR and by much more against the currencies of many developing countries. Countries whose currencies had not appreciated against the dollar had to pay more for their oil, since oil prices continued to be denominated in dollars.

20. All those circumstances had combined to raise the current-account deficit of the oil-importing countries still further, from \$70 billion in 1980 to an estimated \$82 billion in 1981. Private capital had played a much smaller role in financing that deficit than in the recent past. In the late 1970s, the total amount borrowed by the developing countries from private sources had amounted to more than their deficits, and reserves had accordingly increased. In 1979-1980, the reserves of the oil-importing developing countries had grown by over \$20 billion, an indication of the prudence with which many of those countries were handling their difficult financial situation. Unfortunately, since then, the situation had changed dramatically. It was estimated that in 1981 the oil-importing countries would have received against their borrowing about \$30 billion, only slightly more than one third of their current-account deficit.

21. The decline in the role of private capital had compelled most countries to look elsewhere for financial assistance. Accordingly, the oil-importing developing countries had run down their reserves, by \$4 billion in

1980 and by almost \$10 billion in 1981. There had also been an increase in official flows, which had risen from \$9 billion to \$19 billion between 1978 and 1981, an annual rate of increase of 26 per cent. Disbursements from private sources had increased at an annual rate of less than 8 per cent.

22. The current-account deficits of the middle-income oil-importing countries had tripled between 1978 and 1981, from \$22 billion to \$67 billion. Those of the low-income countries had also risen, from \$6 billion in 1978 to \$16 billion in 1981. The poor countries, however, had little recourse to international financial markets and could finance their deficits only through the reduction of the level of domestic investment or the receipt of larger amounts of concessional aid. But in 1981, net official development assistance disbursements from members of the Development Assistance Committee of OECD had declined from \$27.3 billion to \$25.5 billion. Thus, even with an increase in official development assistance flows from the OPEC countries, there was a likelihood of a decline in total net disbursements.

23. The contraction of the pool of external resources available to the developing countries constituted a problem of major concern to the World Bank. In order to deal with current and foreseen problems, the Bank must make sure that it was well equipped to function from a position of strength. A general capital increase had been agreed in January 1981 and opened for subscription in the autumn of that year. As subscriptions proceeded, they provided the Bank with both a greater paid-in equity base and additional callable capital in support of its financing operations. The Bank had also adopted a number of measures to improve its liquidity, so as to acquire the flexibility required by prudence in the face of volatile market conditions.

24. In the current difficult economic environment, it was essential for the Bank to play a more catalytic role in mobilizing financial resources. Its principal vehicle would be co-financing, which it was seeking to expand both with sources of official development assistance and with commercial banks. Commercial bank co-financing had already risen from an annual average of \$200 million in the mid-1970s to about \$1.7 billion. Nevertheless, it still constituted only about 1 per cent of all commercial bank lending to developing countries, and the Bank was therefore actively reviewing new techniques to attract more co-financing.

25. Every effort would also be made to expand the scale of operations of IFC, the affiliate which provided loan funds and equity capital to the private sector in developing countries. In addition, the Bank was exploring the feasibility of establishing a multilateral insurance scheme for private investors. Preliminary investigations suggested that there was room for such a scheme to supplement and to work through existing national schemes. Even on the modest scale initially envisaged, it could be a useful instrument for facilitating and accelerating the flow of private investment capital in developing countries.

26. The Bank faced its most serious difficulty in replenishing the funds of IDA. Since its founding, its resources had been replenished six times. Thirty-two Governments had provided funds for it to lend to developing countries. It had been authorized to lend, in the aggregate, at the level of \$30 billion, had committed \$24 billion and disbursed nearly \$13 billion. It had helped to finance almost 1,200 projects, whose real cost totalled close to \$100 billion. Funds provided by IDA had constituted a large proportion of the total investment of many poor countries in Africa. Even in Asia, where IDA funding represented a smaller share of investment, its achievements had not been insignificant. It had played a major role in India's remarkable agricultural development, in rehabilitating Pakistan's irrigation network, and in helping Bangladesh out of the very difficult economic situation in which it found itself at independence. Many South Asian nations were at an economic crossroads, where, with adequate external support, they were in a position to devote serious attention to their structural problems. Sub-Saharan Africa faced a more difficult task and the difficulties would become even greater unless the flow of concessional assistance increased significantly.

27. The Bank's immediate task, therefore, was to ensure a continued and adequate flow of IDA resources. The current sixth replenishment had run into difficulties as a result of delays in funding from the United States of America, the largest single contributor. Because there was general agreement that action must be taken to deal with the crisis, new approaches were under consideration by Governments. The Bank welcomed the recognition in the communiqué of the recent Versailles summit meeting of the need for special temporary arrangements to overcome the funding problem. It was encouraged, particularly by the outcome of the recent meeting of IDA deputies at The Hague, to hope that the bulk of the original negotiated \$12 billion for the sixth replenishment could be committed within the intended period, by 30 June 1983, and it greatly appreciated the support to that effect given by the Secretary-General in his opening address and the similar recommendations of other speakers. Whether those hopes would be realized would depend in part on whether it was possible to make an early start on preparations for the next replenishment, which should at the minimum be the equivalent in real terms of the sixth replenishment when it was negotiated. Virtually all the contributors considered that a start in the financial year 1984 would be a desirable objective. Agreement on beginning the seventh replenishment in 1984 might have a material bearing on the view taken by Governments of the various suggestions that had been made for continued and expanded co-operation during the remainder of the current replenishment period, within the multilateral framework.

28. IDA had contributed significantly to economic development. Nevertheless, the Bank had thought it timely to take a critical look at its performance and the lessons to be learned from its experience. The study that was being prepared would be a public document, which the Bank hoped would help to broaden understanding

and appreciation by Governments and their constituencies of the role of IDA.

29. The Bank earnestly hoped that, by the summer of 1983, it would be possible to look back with some satisfaction at the year that had ended and to regard the future, realistically and with confidence, in a more optimistic spirit. It was the Bank's intention to do all that it could, in partnership with others, to that end.

30. Mr. NAVARRO (Venezuela) said that the pessimistic forecast for the 1980s made in the Council at the start of the decade was being fulfilled. Concerted action to ward off the crisis had been prevented by the short-sighted and selfish policies of certain Governments.

31. For 10 years and more, variations in productivity among the industrialized countries, together with the monetary chaos resulting from the irresponsible creation of liquidity in the world's reserve currency, had held back the investment that was necessary to sustain a sufficient rate of economic growth to maintain harmony in their societies. In the absence of any real political leadership in most of those countries, their Governments had resorted to the creation of money, thus making inflation a structural phenomenon, and to the manipulation of exchange rates in order to keep their exports competitive. Some countries, however, tiring of the "stop-go" formula, had rediscovered the virtues of a balanced budget and had resorted to cutting back social expenditure and reducing taxes, with a view to generating a new economic thrust, or, indirectly, new investment. A continuing policy of fiscal discipline on the part of the United States of America, together with the monetary discipline that had been applied by the Federal Reserve Board, might have reduced inflationary expectations on the part of consumers and investors, and thus brought down interest rates in that important capital market. Unfortunately, that had not been the case. The world was witnessing a recrudescence of fiscal indiscipline, resulting in unprecedented deficits, combined with a policy of monetary stringency. The effect had been to bring about interest rates which made anything other than highly speculative investment impossible, a new surge of protectionism, the main victims of which were the developing countries, and a considerable decline in financial resources for international co-operation and even domestic development. Inflation had indeed declined, but at the cost of great suffering throughout the world, causing grave injury to the productive machinery of nearly all national economies. High interest rates could not contain the pressure generated by the budgetary deficits expected, or replace a thoroughgoing reform. Although the rate of inflation had declined, medium-term inflationary expectations had risen considerably. The world was anxiously awaiting the time when the central banks would be faced with a new dollar overhang.

32. The sovereign decision of any country to arm itself against what it perceived as a threat to its national security must be respected. It should do so, however, through the sacrifices of its own taxpayers. The developing countries were weary of paying for the extravagances of the great

Powers under the pretext of the "defence of the free world".

33. The developing countries were suffering from the worst decline in commodity prices in the past 35 years. The price of sugar had fallen so low that it did not even cover production costs. Only oil had maintained its price, because OPEC had agreed on a production programme that brought the international market into balance. He wondered how, and when, the developing countries would be able to escape from the quadruple grip of high interest rates, imported inflation, the decline in commodity prices and protectionism against their manufactures. Many of them had already reached a point at which they were forced to contract new external debts in order to pay the exorbitant interest on previous loans. He wondered how far they could continue to do so, and when the developed countries would finally recognize that, in presiding over the decline of the developing countries, they were undermining their own economies.

34. The industrialized market-economy countries complained that the socialist countries were not playing their rightful part in co-operation with the developing countries. That was to some extent true, and the developing countries would continue to press them to increase their contribution to strengthening the economies of developing countries, both in the financial field and in trade. Nevertheless, it was the wealthy market-economy countries which had the greatest responsibility for changing the course of the world economy.

35. Although he had painted a very dark picture, he did not believe it was exaggerated. The prospect, if current trends were to continue, was terrifying. In the past, war had served as a means of "overcoming" situations of social tension of economic origin. Such a solution was inconceivable in the nuclear age. It had been proved repeatedly that no country or group of countries, no matter how important, could solve its problems in isolation. The establishment of a new international economic order was more than ever necessary, but the international community had already spent three years negotiating the terms on which the global negotiations to which it had committed itself in General Assembly resolution 34/138 were to be launched.

36. There was no alternative to those negotiations. No lasting and confidence-building results could be achieved unless the interrelationship of the problems was taken into account. The international economic crisis required an integrated and coherent analysis of the various factors involved and of the steps for dealing with them effectively. The world could not be left to drift, on the pretext of respecting supposedly free market forces.

37. In the meantime, the developing countries would continue to co-operate among themselves. Economic co-operation among developing countries was not an alternative to co-operation with the developed countries, but the developing countries were determined to remedy through their own efforts the state of dependence and vulnerability in which they found themselves. The current political and economic circumstances were ripe for such

an effort. The countries concerned had been jointly evaluating their capacity to complement each other economically and had found it so significant that their determination to go on fostering South-South co-operation had been strengthened. There would, of course, be difficulties, but they were confident that they could solve them among themselves, in the light of their joint interest in the success of the undertaking.

38. At a meeting of the Council the previous day, one delegation had spoken of establishing a correlation between the price of oil and the resources of IDA. There had seldom been a more unfortunate comparison, and it was ironical that it should have been made by the delegation of the country which bore the major responsibility for the failure of sixth replenishment of IDA resources.

39. Ms. GOLDET (France) observed that, unless vigorous efforts were made to revitalize the Council, the dangers to which the President had drawn attention were liable to diminish its role and its leading position in the economic and social system of the United Nations. The Council's second regular session offered an opportunity for stimulating, vigorous and pertinent analyses of the world economic situation, and the Secretary-General's analysis had brought into sharp focus the dilemmas confronting it. Her delegation was keenly aware of the fact that the economic interdependence of the modern world called for a collective move forward, which, despite the temptation to isolationism which the current difficulties might engender, must take place through intensified international economic co-operation.

40. Her delegation endorsed the statement made by the Danish representative (31st meeting) on behalf of the European Economic Community. The Community's analysis of the current world economic situation, and the role it prescribed for its members' activities, clearly reflected her delegation's views.

41. The world economic situation had some deeply disturbing aspects to which all the preceding speakers had rightly drawn attention. The *World Economic Survey 1981-1982* well summarized the difficulties facing all groups of countries. It was now known that the slowing down of world economic growth was not cyclical but was exacerbated by the maintenance of high interest rates, increasing trade tensions, balance-of-payments difficulties and a stagnation in productive investment. The *Survey* rightly emphasized the critical nature of the current year, when a process of adjustment was taking place in all economies without any sign of firm or lasting recovery.

42. Her Government particularly shared the view expressed in the *World Economic Survey 1981-1982* concerning the need for ensuring increased productive investment to bring about a sustained recovery in world growth. Vigorous sustained and interdependent action was required, and the necessary recovery in the world economy could be brought about only through the concerted activities of all members of the international community.

43. Some encouraging progress which had already been

made in a number of sectors of international economic co-operation should be taken as signposts on the road to progress and co-operation.

44. The heads of State and Government who had recently met at Versailles had agreed on a joint analysis of the world economic situation and on certain measures to remedy the situation. Full employment, price stability and balanced and sustained growth were ambitious objectives which could be attained in the coming years only by encouraging productive investment and technological progress, pooling resources, making all countries aware of the effects of their policies on others, and co-operating to promote world development. In that context, France considered that action was required in five main areas. The first need was to create full employment and adjust to the work content. During the forthcoming years, the world economy must adapt itself to far-reaching technological changes that would affect all countries. Many types of employment would disappear, while others would be created in the most dynamic sectors: there would be not only quantitative changes but profound changes on an international scale in the content and organization of work. An ordered and rapid transition from old to new types of employment, while limiting the social costs, called for a number of measures, including the establishment of a vast training system aimed at providing access to new technology such as data processing and biology.

45. The second area was the promotion of industrial dynamism. In order to overcome the recession, it was necessary to reverse the trend towards a slowing down in productivity increases, and to open up new markets. For that purpose, it was essential to renew industrial investment efforts by mobilizing capital on an unprecedented scale.

46. Thirdly, North-South disequilibrium should be combated. Recent technological discoveries must not remain a monopoly of certain countries but must be made available to the countries of the South. Biotechnology should be used to overcome hunger, disease and over-population, and electronics to increase production capacity. For that purpose, the World Microprocessing Centre, which was open to research workers from all countries, had recently been established in Paris. Mankind also had the means to reduce the energy and food dependence of the developing countries. Consideration should be given not only to how technologies could be transferred to those countries and adapted to their needs but also to establishing the necessary conditions for the development of suitable technology.

47. The fourth requirement was to resist the temptations of isolationism. In a context of contracting world markets, increased competition often gave rise to an isolationist reaction. Steps should be taken to maintain an open and multilateral trading system.

48. Fifthly, technology should be placed at the service of mankind. The stake was immense, since the development of technological resources might lead to uniformity or even to a new type of enslavement. Joint efforts should be made to promote cultural development. With that in

mind, the President of the French Republic had proposed that a world network, linking all education, training and research centres in languages and communication, should be established in the United Nations University.

49. The basis had to be laid for truly concerted world economic development. Failure to do so could lead to continued worsening unemployment, inflation, financial difficulties and inequality. Some progress towards international economic co-operation had been made in recent years in the economic and social system of the United Nations. Those efforts should be intensified.

50. The United Nations Conference on New and Renewable Sources of Energy, held at Nairobi in 1981, had concluded with the adoption of a general programme of co-operation in an issue of vital importance for the overall development of the planet. The results achieved had not, however, been followed by the necessary action to implement them.

51. The United Nations Conference on the Least Developed Countries, held in Paris in September 1981, had made it possible to develop a Substantial New Programme of Action for the 1980s, which would in the future constitute the international community's charter for that category of countries, which should receive special attention. Efforts to implement the Programme's objectives should not be relaxed. Meetings of donor countries and international organizations and of representatives of the least developed countries should be continued diligently and effectively. Her Government continued to support the objective of a system for the stabilization of the resources earned by the least developed countries from commodity exports. While it was fully aware of the difficulties of such an undertaking, it hoped that the studies being carried out on the subject would produce some convergence of views, leading to reasonable action.

52. With respect to progress in the field of science and technology for development, she observed that some points of convergence had appeared. It was no doubt illusory to count on annual resources of over \$100 million. Whatever the future decision-making body, the system of financing for the preparation and follow-up of projects should be linked with UNDP. Contributions should be shared equitably between the industrialized countries and developing countries in a position to contribute. Her delegation hoped that the prospects, which were as yet somewhat poor, would be improved during the informal discussions that were to take place in the Council.

53. The results of the discussions on the law of the sea, which had produced a Convention regulating a number of complex issues, were encouraging. Her delegation was aware that not all States had agreed to the Convention, but perhaps some of them would withdraw some of their reservations. Nevertheless, the international community now had a balanced legal system in an area of vital importance for its development.

54. She wished to dwell on four areas of action to which previous speakers had drawn attention: the mobilization of financial resources, concerted action on energy

problems, the campaign against hunger and malnutrition, and priority action to stabilize the prices of the developing countries' commodity exports.

55. Firstly, all measures should be taken to channel more resources towards development; in particular, official development assistance must be maintained and the role of international financial institutions must be reaffirmed. France had announced its intention of achieving the target of 0.7 per cent of GNP for its official development assistance in 1988, excluding overseas territories and *départements*. Unfortunately, however, the latest report of the Development Assistance Committee showed that the overall level of official assistance had fallen from 0.38 per cent in 1980 to 0.35 per cent in 1981. The delays in IDA development financing—both the shortfall in the resources under the sixth replenishment and the prospects of implementing the seventh—were alarming. At the recent session of the Committee for Development Planning, France had proposed the creation of a special fund, managed and used by IDA in accordance with the usual rules, and was ready to continue consultations for a speedy completion of that project.

56. Secondly, her Government attached great importance to priority for concerted action on energy matters. A whole range of new fields for co-operation should be speedily explored, as had been agreed at the Cancún summit meeting. It had been unanimously recognized that further investment in energy production in the developing countries must be promoted, and it had been felt that the World Bank should act speedily to find a way of channelling funds for research and development in the area of energy resources. It had already carried out some research in that field, including an evaluation of energy resources in the developing countries. The French Government was not against the idea of establishing an energy affiliate within the World Bank, and was convinced that an agreement on the matter could be reached.

57. Thirdly, world malnutrition and hunger, which represented a serious challenge to the international community, must be attacked by a series of measures aimed, *inter alia*, at improving food production in the developing countries, particularly the poorest, and creating conditions for greater food security, based on a policy of the building up of adequate stocks and the maintenance of a coherent relationship between international assistance and the developing countries' own food strategies. The preparatory meeting of the World Food Council, held at Rome, and its eighth ministerial session, held at Acapulco, Mexico, had been recent steps in the development of an overall strategy to combat hunger. A plan of action, envisaging a series of appropriate measures, had been adopted recently by the European Economic Community.

58. Fourthly, it was imperative to improve the stability of the resources earned by the developing countries from commodity exports—a basic target of the Integrated Programme for Commodities. France looked forward to the effective application of the Common Fund for Commodities and a vigorous renewal of negotiations for

new commodity agreements. Such action must contribute to a new world economy in which all countries would have a place. For that purpose, global negotiations must be effectively begun, and the current international monetary and financial climate must be improved.

59. During recent months, all the parties involved had expressed their concern about the essential questions raised by the global negotiations. Never had an agreement seemed so close; but it had not been possible, unfortunately, to conclude one. Nevertheless, the heads of State and Government, at their recent meeting at Versailles, had found that the launching of the global negotiations had constituted a major political objective approved by all participants in the summit meeting, that the most recent draft resolution submitted by the Group of 77 had been constructive, and that the talks at Versailles had revealed overall agreement that it could serve as a basis for consultations with the countries concerned. The French Government had always attached particular importance to the launching of those negotiations, and the Economic and Social Council must continue to consider how to avoid dashing the hopes which the vast majority of the international community had placed in them. The North-South dialogue must be continued, and the co-operation of all countries and international institutions would remain essential.

60. Everyone was agreed that a minimum of order and stability must be restored in international monetary and financial affairs; in that connection, she agreed with the analyses contained in the *World Economic Survey 1981-1982*. The heads of State and Government, meeting at Versailles, had reaffirmed their joint responsibility to strive for greater stability in the world monetary system; such an undertaking must not remain a dead letter. Unfortunately, no significant progress could yet be reported; recent exchange-rate tensions and the persistence of excessive interest rates were severely hampering economic recovery and gravely undermining the foundation of collective prosperity. The future prospect was bound to evoke a blend of fear and determination, and the results of forthcoming international meetings would be crucial. The next GATT ministerial meeting would be decisive for the maintenance of the open trading system supported by the French Government. In addition, the sixth session of the United Nations Conference on Trade and Development would provide an occasion for further discussion and, it was earnestly hoped, for progress on the vital questions of trade and commodity financing. Careful preparation must be made for those meetings, in a spirit of realism and compromise, if the international community as a whole was not to let slip a new opportunity.

61. Since the current times were difficult for all, the huge reservoir of human intelligence and of natural resources should be drawn upon. Each new opportunity should be seized, without raising undue hopes but with a clear awareness of what could be done towards collective well-being. She had outlined some of the steps the French Government had advocated; each country should formulate its own in the Council, so as to establish a genuine exchange of views. The task clearly called for

sacrifices and clear-headedness, if interdependence was not to remain an empty concept but to become a growing reality.

Mr. Gilberto C. Paranhos Velloso (Brazil), Vice-President, took the Chair.

62. Mr. WILLIAMS (World Food Council) said that, during the past year, food issues had been of foremost world-wide concern, as nations had reaffirmed their commitment to eradicate hunger. Despite some progress in Asia, efforts in general had been faltering because of the current world economic situation. Momentum must be regained, as the Secretary-General had stated.

63. Although large crops and stock accumulation in some major countries had brought world cereal carry-over stocks to 18 per cent of world consumption—within the safe level defined by FAO—there were serious imbalances in the world food economy and many countries faced growing food deficits and hunger. The prospects for Africa were especially grim. Production in most developing countries still lagged behind demand, and production improvements, where they had occurred, had not been matched by improvements in distribution. The developing countries' food trade deficits were likely to rise further, with the commensurate problem of financing food imports when trade earnings were declining. World economic recession and a faltering development rate could offset what progress had been made, and, according to available estimates, the numbers of the world's population experiencing hunger would grow substantially. In addition, the crop acreage reductions resulting from difficulty in meeting production costs in some developed exporting countries could seriously affect supply continuity in the future.

64. The World Food Council had therefore proposed at its eighth ministerial session a number of specific and practical measures to face the current unstable situation and the growing risks for the developing countries' food security.

65. Firstly, the implementation and financing of national food strategies should be accelerated. An encouraging number of developing countries were preparing such strategies; some were now ready for application or soon would be, and would require additional financial assistance, for which purpose donor countries had undertaken to make special efforts, such as the initiatives of the Italian Government and of the European Economic Community in organizing special donor groups. The World Bank and UNDP had been urged to play leading roles in assisting food strategy financing, while the World Food Council itself would provide active support in mobilizing technical and financial assistance for developing-country food policies and programmes.

66. Secondly, the tide of growing hunger could best be reversed by including in current policies more direct measures specifically designed to enable hungry people to meet their food needs, including investment in human capacities, as in UNICEF and WHO programmes; stimulation of employment in production, involving the ILO and UNDP; more aid to develop smallholder

agriculture, under FAO, IFAD and World Bank programmes; and the redirection and enhancement of food aid measures, involving WFP. The concept of food security involved the work of United Nations agencies concerned with economic development, whose efforts in that regard warranted increased support from Governments. A major expansion of direct measures to eradicate hunger would, of course, increase food demand immediately; expanded and redirected food aid could help to meet that demand in the short term until domestic production increased.

67. Thirdly, the World Food Council had focused on priority support for Africa's food problems. To reverse Africa's food deficits would require essential policy adjustments by African Governments themselves, under the Lagos Plan of Action. If that effort was to succeed, difficult decisions must be taken and substantial external assistance made available. The World Food Council had concurred in the recommendations made by African ministers of food and agriculture at the Regional Consultation held in March 1982 to the effect that urgently accelerated efforts by African countries and international agencies should be undertaken. The report of that Consultation dealt with action for speeding up national food strategy implementation and financing, stepped-up training in food policy planning and investment preparation, substantially increased technical and resource support, and improved food security infrastructure. The World Food Council reaffirmed its full support for the African Governments and peoples in their drive towards increased food self-sufficiency.

68. Fourthly, the World Food Council emphasized that greater world food security required more open trade and an assured continuity of supplies. Import barriers and adverse export trading practices seriously affected the developing countries' export potential, distorted their resource allocations and reduced their capacity to solve food and development problems, as the Secretary-General of UNCTAD had pointed out. It was to be hoped that the United Nations Conference on Trade and Development, at its sixth session, and the forthcoming ministerial meeting of GATT, would help to stress the close connection between trade possibilities and countries' capacities to solve those problems. Wheat trade negotiations having been suspended, the World Food Council had sought alternative ways to attain food security reserve targets for developing countries—a step approved by the General Assembly. A new proposal for developing-country-owned reserves had recently been formulated, in consultation with Governments and international bodies concerned. The most important consultations had been organized jointly with UNCTAD, which had taken a close interest in the proposal, and FAO too had agreed with the objectives. The proposal had been gaining support; its basis was concessional financing to be made available to interested developing countries when international grain supplies were ample and prices low, as they currently were. Using such finance, each developing country would acquire an extra volume of grain and hold it as a reserve stock additional to normal

imports, to be used according to each country's food security needs. While stock-building would be guided by internationally agreed price criteria, only broad guidelines, based on world market conditions, were envisaged for stock releases. The developing countries' individual needs were thus the first priority, and international market stability the second. Most important for stability would be support for markets when prices were low. The proposed mechanism would help farmers in exporting countries to avoid production cuts, whose destabilizing effects had been seen prior to the world food crisis of 1973-1974. The promotion of long-term supply continuity was thus a fundamental aim of the proposals of the World Food Council; a developing-country reserve of some 12 million tonnes could help considerably to stabilize wheat and rice markets.

69. The IMF buffer stock facility had been suggested as the main source of finance for stock acquisition, but the facility had seldom been used, its loans carried interest of 6¼ per cent and its use by IMF members did not reflect their ability to borrow from other Fund facilities. Resources available to developing countries from that source would therefore clearly be additional.

70. The capacity of many developing countries to apply effective national production and price policies was hampered by lack of storage facilities in their own territories. The proposals of the World Food Council in that sphere included the setting up of a consultative group of bilateral and multilateral development agencies and the financing of storage investment proposals. The improved co-ordination of financing with investment and aid requirements among bilateral finance agencies, the World Bank and FAO would, in itself, meet an important development objective.

71. Ways should be sought to put into operation the proposal for a developing-country-owned reserve, and the World Food Council had requested its President and its Executive Director to consult countries and hold meetings, with the help of other interested agencies, bearing in mind that the proposal might possibly form part of wider global negotiations. The proposal would give balanced benefits for all parties. Its economics were sound for developing and exporting countries alike, and financial assistance could be made available by agreement among countries. The developing countries' need and willingness to hold more adequate food grain stocks was urgent and widely recognized.

72. A comprehensive mobilization of assistance in support of the developing countries' food strategies, programmes and projects was essential. The impetus which had led to a 100 per cent increase in aid for food and agricultural development between 1973 and 1979 was faltering and must be restored; the prompt completion of the replenishment of the resources of IDA and IFAD was particularly important.

73. As a complement to developing countries' improved investment programmes, donors should strengthen their programming and co-ordination, with a sharper focus on technical and financial assistance to expand the developing countries' food investment capacity, and on

intensified efforts to improve food production technology and its application. The international organization concerned should use resources more effectively and efficiently, avoiding duplication. Improved co-ordination among all development agencies, multilateral and bilateral, particularly in their assistance to the least developed countries, was an urgent requirement and Governments, in their efforts to improve co-ordination among international agencies at the country level, might wish to avail themselves of the services of the UNDP resident co-ordinators.

74. Progress in the developing countries' food sector could also help to solve development problems by providing a sound basis for expanding industry and services. The international community, by stepping up its efforts on food issues, could revitalize international confidence and co-operation with a view to the establishment of a new international economic order. He therefore urged the Council to endorse the conclusions and recommendations of the World Food Council's eighth ministerial session.

75. Ms. de METZ NOBLAT (International Chamber of Commerce) said that ICC brought together business concerns at all levels—from small entrepreneurs to multinational companies—in over 100 countries at all stages of economic development. She would focus on three agenda items which, in a world of growing economic interdependence, were of vital importance, and in all of which business had a crucial role to play.

76. The first issue was that of international trade and, at a time of rapidly increasing unemployment, its relationship with economic growth. ICC strongly endorsed the Secretary-General's statement concerning the outlook for a sharp deterioration in international trade. There were substantial trade conflicts among the three major trading Powers—the United States of America, the European Economic Community and Japan—as well as continuing causes of friction between the industrialized countries and some developing countries. Above all, the persistent world economic recession, which had resulted in a stagnation in world trade, had created major difficulties for industry everywhere and impeded the structural adjustments that were increasingly necessary. Many countries had attempted to impose trade restrictions in the hope of protecting their domestic industries from foreign competition. Countries had increasingly resorted to bilateral trade agreements, so-called orderly marketing arrangements and "voluntary" export arrangements. Governments also intervened increasingly in sensitive sectors. All those measures distorted the normal flow of international trade and were self-defeating. The growth of protectionism was at least partly responsible for the delay in economic recovery. It was difficult to imagine a situation in which a single country could impose import restrictions while continuing to have free access to other markets, and if all countries attempted to do so they would all suffer reduction in exports, further unemployment, slower growth and prolonged recession. That situation would have a particularly serious effect on the developing countries, many

of which relied totally on export earnings as a stimulus to development and a means of servicing their international debts. Protectionism not only prolonged recession and reduced living standards but also destabilized the already strained international private financial system, which had been responsible in recent years for nearly two thirds of the net financial flows to the developing world.

77. ICC was therefore extremely concerned about the growth in protectionism and had called upon Governments to resist any protectionist measures and to maintain an open system of multilateral trade and investments. A conclusion on those lines had been reached at the recent session of the ICC-United Nations-GATT Economic Consultative Committee, of which the United Nations Director-General for Development and International Economic Co-operation had been a Co-Chairman. ICC regarded the GATT ministerial meeting scheduled for November 1982 as crucial for the future of the world trade system. It was no longer sufficient for Governments to reaffirm their commitment to a liberal system. There must be clear evidence of a recognition by all parties that the system was not being adequately implemented, and of readiness to strengthen the rules and procedures of international trade. Constraints on free flows of international investment also inhibited growth, and Governments should consider how a more liberal investment climate might be fostered. Only if the political will existed and the GATT system was fully applied in practice would the present trend towards protectionism and economic nationalism be reversed and the recession overcome.

78. The second item to which she wished to refer concerned the environment. Ever since the establishment of UNEP, industry had made great efforts to assist in international co-operation in environmental issues. In 1974, ICC had issued environmental guidelines for world industry, which had been updated in 1981. In April 1982, it had convened an ICC International Conference on the Environment, with a view to framing concerted views on the subject for submission to UNEP at the session of a special character marking its tenth anniversary. Among the conclusions reached at the Conference had been, firstly, that environmental problems should be solved at the most appropriate level—local, national, regional or international—depending on the case. Many of those problems were so complex that no nation, organization or company could hope to cover them entirely. If they were to be solved, there must be co-operation among all parties involved, irrespective of national, political, organizational or social boundaries. Secondly, good environmental management and the pursuit of economic growth were not mutually exclusive, and cost effectiveness should be a corner-stone in national and international environmental efforts. Environmental objectives should therefore take account both of ecological considerations and economic conditions, and should also make full use of cost-benefit

analysis. Thirdly, environmental legislation and regulations had to be reasonably harmonized throughout the world to lessen the risk of the harmful distortion of competition and trade as a result of wide differences in levels of national environmental control. Such harmonization should begin with the establishment of universal and unambiguous definitions and uniform methods of measurement, for which international co-operation was essential.

79. The third major item to which she wished to refer related to energy, with particular reference to the follow-up to the United Nations Conference on New and Renewable Sources of Energy, held at Nairobi, at which ICC had been an observer. The business world was fully prepared to co-operate in the development of new and renewable energy sources and to assist in such areas as those of finance and technical assistance. ICC therefore strongly supported the conclusion which the Conference had reached to that effect. In view, however, of the extensive investment, long lead times and high risks that were often involved, a company could only commit itself to developing projects for new and renewable sources in a favourable long-term investment climate. Governments seeking an investment in new and renewable energy projects could encourage such investment by promoting clear and consistent policies. If business and Governments worked together, they could bring the benefits of new energy sources to countries at all stages of development and, through that process, could promote the economic growth required.

80. ICC looked forward to pursuing its consultations with the United Nations and, in particular, with the Economic and Social Council, in efforts to further the economic and social progress that was so necessary to world stability and peace.

81. Mr. BOYD (United Kingdom), speaking in exercise of the right of reply, said that the comments made by the Soviet Union representative at the preceding meeting with respect to the Falkland Islands were inappropriate and flippant, and his delegation entirely rejected them. Although the USSR representative must be fully familiar with the Charter of the United Nations, it was clear from his words that he had failed to understand either the inherent right to self-defence, which the Charter recognized, or the fundamental concept of the right to self-determination.

82. Mr. SOLA (Argentina) said that he had listened with astonishment to the statement by the United Kingdom representative, which had added verbal aggression and a defence of colonialism to the colonial aggression perpetrated by the United Kingdom. He reserved his delegation's right to reply to that statement at an appropriate time.

The meeting rose at 5.15 p.m.

35th meeting

Monday, 12 July 1982, at 10.40 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.35

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)

1. Mr. TERENCE (Inter-Parliamentary Union) said that in recent years it had been evident that parliaments played an increasing role in the solution of international problems, particularly in the economic and social field. Co-operation among parliamentarians in the industrialized countries could bring about better understanding and greater acceptance of policies for co-operation with the third world, and among those in the developing countries it could lead to greater realism in the preparation of development plans and increased support from the populations concerned.
2. The Inter-Parliamentary Union attached great importance to development problems and took action at two levels. At the world level, its members adopted recommendations and endeavoured to see that they were implemented in their various countries. In the majority of cases, the choice of subjects took into account the evolution of issues in the United Nations system, and discussions were prepared for, resolutions adopted and recommendations implemented in co-operation with the various organizations of the system. Thus, in 1980, the Inter-Parliamentary Conference had discussed the Third United Nations Development Decade. In 1982, after discussions with the heads of FAO and UNEP, the Inter-Parliamentary Union had included items in its agenda concerning hunger in the world and the situation of the environment, including environmental legislation, 10 years after the United Nations Conference on the Human Environment, held at Stockholm in 1972.
3. The Inter-Parliamentary Union also took action at the regional level to enable the representatives of parliaments of countries with certain development conditions or cultural or social traditions in common to compare their experiences and work out their own solutions. Such activities were also carried out in close co-operation with the United Nations organizations concerned, and frequently at their request. For example, the Inter-Parliamentary Union had organized a Parliamentary Conference on Population and Development in Africa at Nairobi in July 1981, in co-operation with UNFPA. It would be holding an Interparliamentary Conference on Policies, Programmes and Legislation for Children in Africa in November 1982 at Yaoundé, in co-operation with UNICEF.
4. The Sub-Committee for the Study of the Means to Control the Pollution of the Mediterranean Sea brought together representatives from the parliaments of the coastal States every two years and worked in close co-operation with UNEP towards the ratification of the Barcelona Convention and Protocols and the implementation of the UNEP programme for the Mediterranean. Similarly, in co-operation with UNDP, the Inter-Parliamentary Union was implementing a programme of technical assistance designed to strengthen the infrastructure of the parliaments of developing countries.
5. The Inter-Parliamentary Union could therefore be considered a useful instrument for international co-operation, supporting the United Nations and co-operating with it in the areas of development in which it was possible to obtain the maximum impact with a minimum expenditure on infrastructure. There was therefore no need to establish new interparliamentary institutions, which would only lead to confusion and wasteful overlapping.
6. Mr. MAKEYEV (Union of Soviet Socialist Republics) said that the dramatic events which had marked the past year aroused concern over the future of international relations. As Mr. Leonid Brezhnev had stated, the international community was at a crossroads: it had to choose between strengthening peace and peaceful co-operation on the one hand and aggravating the cold war and the risk of a real war on the other.
7. The desire for peace was the outstanding feature of the Soviet Union's foreign policy. Thus at the twelfth special session of the General Assembly of the United Nations (second special session devoted to disarmament), the Soviet Union had undertaken unilaterally not to be the first to use nuclear weapons. It had proposed that its strategic nuclear arsenal and that of the United States of America should be "frozen" once talks on the reduction of such weapons began. Finally, it had submitted specific proposals with a view to an agreement on the total banning of chemical weapons. All those initiatives had won the Soviet Union support from all peace-loving forces and nations, as the growing importance of the pacifist movement throughout the world proved.
8. The second special session of the United Nations General Assembly devoted to disarmament should give new impetus to the activities of the United Nations system as a whole. The Economic and Social Council should co-ordinate the activities of all the economic and social bodies and all the specialized agencies with regard to the implementation of the relevant decisions of the special session, giving particular attention to the relationship

between disarmament and development and the establishment of favourable conditions for social and economic progress for all peoples.

9. In the *World Economic Survey 1981-1982*, it was stated that the worsening international political climate was preventing the solution of the problems encountered by the world economy. The authors of the *Survey* indicated that the decline in the economic situation was the result of the profound crisis and economic upheavals in the capitalist countries. However, it was regrettable that they had not gone into the deep causes of the chronic crisis phenomena in the Western countries. In fact, the entire system of government and the monopolistic regulation of the Western economies was going through a crisis, as was shown by declining economic growth rates, unprecedented levels of unemployment and accelerating inflation. The monopolies, meanwhile, were making the most of the difficulties to encroach upon the social advantages won by the workers.

10. The internal contradictions of imperialism were more than ever evident in the field of international economic relations. It was clear that the United States of America was trying to solve its internal economic difficulties at the expense of other countries, particularly its Western allies, by artificially raising interest rates, which encouraged flows of Western European capital to the United States and therefore caused sudden slumps in economic activity, increased unemployment and the depletion of monetary reserves in the Western European economies. Despite that, the capitalist "centres of power" were invariably at one in fighting against the forces of progress and national liberation. In order to safeguard the interests of their monopolies, the United States and other imperialist Powers were intensifying their exploitation of the developing countries, reducing the financial "aid" that they granted to them and raising new barriers against industrial exports from the developing countries. That explained why the past year had been extremely difficult for the vast majority of the developing countries: the "interdependence" there was so much talk about meant nothing more than exporting the Western economies' crisis and stagnation to the developing countries. Those countries' debts now exceeded the monstrous sum of \$524 billion. Many indicators showed that capital outflows from the developing to the Western countries were considerably higher than the capitalist countries' so-called "aid"

11. That situation had not gone unnoticed. The Ministerial Meeting of the Co-ordinating Bureau of the Non-Aligned Countries held at Havana from 31 May to 5 June 1982, had considered the need to adopt measures to put an end to that situation. It was in that spirit also that the Soviet Union had proposed that the United Nations should undertake a comprehensive study on all forms of capital outflow from the developing countries which were linked to private foreign investments (particularly the activities of transnational corporations), and also on protectionist trade policies and the exporting of inflation to the developing countries. A detailed study of that serious problem would make it possible to devise means

to combat the economic backwardness of the developing countries more effectively. The report of the Secretary-General providing the preliminary draft of an overall socio-economic perspective of the world economy to the year 2000 (A/37/211 and Corr.1) expressed grave concern about the future development of the world economy and trade and the possibility of overcoming the economic backwardness of the developing countries. Although not perfect, the report should be transmitted to the General Assembly, together with the comments of members of the Council, so that a decision could be taken on ways to improve the Secretariat's work in that important field. In his delegation's view, the United Nations Secretariat should submit revised forecasts of long-term economic development trends to the General Assembly, through the Committee for Development Planning and the Council, on a regular basis, perhaps every two or three years.

12. The Soviet Union had always resolutely opposed all forms of discrimination in economic relations amongst States. That had led to a new form of division of labour among countries with different levels of development and different social systems. The new kind of economic relations established between the USSR and the developing countries had proved their vitality in the crisis conditions which characterized the capitalist economy. Whether in the United Nations or in other bodies, the Soviet Union had submitted many proposals on the restructuring of international economic relations to make them more democratic and equitable. It fully supported the Charter of Economic Rights and Duties of States and the Declaration on the Establishment of a New International Economic Order and had helped to prepare the International Development Strategy for the Third United Nations Development Decade. It was in favour of launching global negotiations on major economic problems, in accordance with the relevant resolutions of the General Assembly of the United Nations.

13. With regard to economic assistance for the development of recently independent countries, the USSR practised what it preached. With its assistance, 1,700 projects (e.g. industrial enterprises, electric power stations, irrigation projects and agricultural projects) had been completed in those countries in 1980. At the present time, 1,400 enterprises or projects were being considered or were under way; they were large-scale projects in the fields of mining and heavy industry, i.e. in major branches of the economy. The developing countries themselves were the sole owners of those enterprises, which totally excluded the possibility of a reverse flow of financial resources in the form of repatriation of profits.

14. Unpleasant insinuations were constantly being made with regard to the volume of the Soviet Union's assistance to the developing countries. If imperialist propaganda was to be believed, the USSR refused to contribute its share of development aid and the volume of its assistance did not correspond to its economic capacity. Such allegations were merely provocative and were designed to destroy the natural alliance between the socialist countries and the developing countries. The real

situation was quite different. In the relatively short time since the fall of the colonial system, economic and trade relations between the USSR and the developing countries had constantly developed and intensified and were now an important element in the struggle for economic decolonization. In addition to grants and credits on soft terms, the USSR granted considerable concessions to developing countries in terms of payment for various kinds of assistance, such as the services of Soviet experts, the training of national specialists, transfers of the latest equipment and technology and trade concessions. The total value of the economic assistance provided by the Soviet Union to the developing countries between 1976 and 1980, including credits with a grant element of 25 per cent or more and minus interest payments and other forms of debt servicing, was the equivalent of some 30 billion roubles. During that period, the average annual rate of such assistance by the USSR had been 1 per cent of GNP; it had risen from 0.9 per cent in 1976 to 1.3 per cent in 1980.

15. The imperialist States had behaved in a very different way. At first, they had tried to ignore completely the just demands for assistance made by the liberated countries; subsequently, they had interpreted them as proof of a difference of interest between the developed countries as a whole (whatever their social and economic system) and the developing countries. Having thus recognized a "general and equal responsibility" for the economic backwardness of the countries of Asia, Africa and Latin America, the Western countries were endeavouring to impose a geographical approach to the solution of that world problem. However, the frontiers between poverty and wealth did not always follow meridians and parallels. The USSR considered that it was absolutely unjustified and unacceptable that it should receive demands such as those rightly addressed to the capitalist developed countries by the developing countries, particularly demands for increased development assistance. It felt that the States responsible for colonialism, neo-colonialism, foreign aggression, including economic aggression, the arms race, *apartheid* and racial discrimination, and for the current upheavals in the world economy, should compensate the peoples and countries concerned for the serious damage inflicted upon them, particularly with regard to natural and material resources.

16. The United Nations had already adopted a number of important decisions on the restructuring of international economic relations and the establishment of a new international economic order. Recent events showed, however, that certain Western countries, and particularly the United States, paid no attention to these decisions. That was why the restructuring exercise was at a standstill and the launching of global negotiations within the framework of the United Nations had been blocked for nearly three years.

17. The policy of the United States with regard to foreign aid, was designed to revive the cold war and achieve imperialist ambitions. The United States brought pressure to bear on any developing countries which had

adopted an independent internal and external policy, using discriminatory trade practices, economic aggression, blockades and boycotts, all kinds of economic sanctions and restrictions, and even force. Furthermore, the renaissance of the war psychosis in the United States and certain members of NATO was accompanied by economic pressures on the socialist countries themselves. In violation of the provisions of the Final Act of the Conference on Security and Co-operation in Europe, signed at Helsinki in 1975, and the principles of international co-operation, the members of CMEA were, for example, subjected to restrictions on exports from the Western countries. Some of the latter themselves considered that the recent decision by the United States Government to oppose delivery of equipment for the construction of a Soviet gas pipeline which was in the interests of the Western countries was excessive interference in the internal policy of the Western countries concerned. It should be made clear that, if necessary, the Soviet Union would itself build the equipment required for the construction of the pipeline.

18. The Soviet Union was making constant progress in achieving its economic and social development objectives for the period 1981-1985 and for the period up to 1990: national income in the USSR had increased by 3.2 per cent between 1980 and 1981 and three quarters of that income was spent on consumer goods. *Per capita* real income had increased by 3.3 per cent. On the strictly economic level, the Soviet Government had adopted a policy of constantly raising the standard of living of its population and, to that end, had approved a food programme to be carried out up to 1990 which should enable it to ensure essential food supplies for its population. Already in 1982, agricultural production should be 10.2 per cent higher than the average annual production of the years between 1976 and 1980. One of the objectives of the programme was to reduce food imports from the capitalist countries. That was vitally necessary, since the leaders of some countries were seeking to use such everyday operations as grains sales as a means to bring political pressure to bear which was unacceptable to the Soviet Union.

19. His delegation wished to stress once again the basic importance it attached to all measures to slow down the arms race, strengthen international peace and security and preserve détente. The future of international economic co-operation and the progress of the developing countries were dependent upon the achievement of those goals. The reduction of military spending would make it possible to release resources which could be allocated in part for assistance to the third world.

20. The Soviet Union had always been in favour of strengthening the authority of the United Nations, which, in its view, was a basic instrument for peace. His delegation therefore intended to play a constructive part in the work of the Council, doing everything possible to ensure strict respect for the obligations incumbent upon all States under the Charter of the United Nations.

21. Mr. MORDEN (Canada) thought, like a good many delegations and the Secretary-General, that the deteri-

oration in the international economic situation was already affecting multilateral co-operation and was likely to affect it even more in the future. As pointed out in the recent IMF study entitled *World Economic Outlook*, the short-term prospects for inflation and unemployment were scarcely encouraging. In the industrialized countries, certain rigidities and structural adjustment problems resulting from some wage agreements and from their own subsidization or protection regulations were compounding Governments' inability to stimulate economic growth, and interest rates had reached record high levels. Those developments were sharply affecting the current balance-of-payment positions of most non-oil-producing developing countries and making it increasingly difficult for them to pursue their development strategies. They were being forced to draw on their reserves and undertake a substantially higher proportion of short-term financing, which added to their debt-servicing burden. In his own country, real GNP had shrunk by some 2.2 per cent in the first quarter of 1982, representing the largest drop since the 1953-1954 recession. The inflation rate was running at higher than 10 per cent, while unemployment (10.2 per cent of the economically active population in May 1982) was at its highest level since the depression of the 1930s.

22. In such a situation, there was a natural tendency for Governments—any Government—to want to look inward rather than outward. But that was a short-sighted policy with which his own country, contrary to what the representative of the Soviet Union believed to be the attitude of Western countries, by no means agreed. In fact, Canada strongly believed in global interdependence and hence in the need to establish a productive dialogue between North and South. That belief was based on two principles: social justice and mutual interest. Governments could no longer pursue a particular policy without giving thought to what that implied for the rest of the world, including developing countries.

23. Doubtless salvation did not lie only in increased international or multilateral co-operation, as the Council tended to believe, for that could never take the place of domestic measures. On the other hand, Canada would support any action undertaken at the multilateral level, in particular any measures likely to reinforce the multilateral trading system. Thus, the GATT ministerial meeting in November 1982 should strive to resolve a number of problems not handled in a satisfactory manner in earlier negotiations, such as the question of safeguards or the strengthening of dispute settlement procedures. With regard to agricultural trade, efforts should be made to develop proposals within a specified time to improve market access and bring direct and indirect subsidies under greater international discipline. The more advanced of the developing countries would also have to accept new obligations under GATT, so as to make a contribution to the international trading framework commensurate with their stake in the system.

24. As far as his own country was concerned, it would continue, through bilateral and multilateral channels, to attach high priority to increasing food and agricultural

production and energy production and to developing human resources. At the bilateral level, it would devote 45 per cent of its total aid to the food and agricultural sector over the next five years, while at the multilateral level it would be working with other interested countries and with the main international food agencies for a better co-ordinated and more effective delivery of food and agricultural development assistance. In the energy field, it had established a Crown agency to help developing countries to exploit their petroleum reserves and, through its bilateral aid programme, it would be disbursing over \$1 billion in the energy sector over the next five years.

25. The Canadian stand was somewhere between that of those who regarded the multilateral system as a panacea and that of those who turned to it only as a last resort when all individual or bilateral action had failed. However, there could be no overlooking the fact that uncertainty now hung over multilateral co-operation, and, in some quarters in particular, those engaged in such co-operation seemed unwilling to heed the signals being given in what were difficult economic times; but if Governments were to turn away from the multilateral system, they would be likely to trim their financial contributions by large amounts without making any precise distinction between what was productive and what was inefficient. New approaches would therefore be needed, particularly with respect to development activities. For example, instead of convening international conferences and setting up new funds in order to focus world attention on particular problems, it would be better to build more solidly on the existing institutions.

26. For all those reasons, the launching of global negotiations continued to be a necessity. Participants in the Versailles summit meeting had made it one of their major political objectives. Unfortunately, countries belonging to the Group of 77 had recently decided, in response to the amendments to their proposals on global negotiations formulated by countries participating in the Versailles meeting, to ask for more time to consider the matter, although the text already contained an overabundance of safeguards required by each side. The spirit of adventure seemed to be lacking at present. However, all those involved ought to heed the Secretary-General's appeal to reach a final agreement on the launching of global negotiations.

27. On the important question of the revitalization of the Council, his delegation considered that the suggestions made by the President at the Council's first regular session of 1982 (Conference Room Paper 1982/4) had given proper direction to its work. The consultations between the President and the executive heads of the specialized agencies should have driven home the point that the revitalization of the Council, far from endangering those agencies, would in fact enhance their capacity to discharge their mandates.

28. His delegation was satisfied with the results of the secretariat's efforts to reduce the volume of documentation before the Council. It should continue those efforts and also seek to improve co-ordination in that area between the various parts of the system. For example, in

its general debate, the Council had three voluminous and costly reports on the world economy to refer to, published respectively by the United Nations, IMF and UNCTAD, whereas one single survey drawing on agreed statistics would have sufficed.

29. Lastly, his delegation noted that statements of general policy made during the general debate often produced no practical results during the remainder of the session. That was a serious defect and no doubt a factor in the decline of the Council's influence in recent years. Consequently, his delegation welcomed the President's suggestion that, during the general debate, members should formulate conclusions and recommendations which would act as a stimulus for the discussions on specific agenda items and the deliberations in other United Nations bodies.

30. Mr. CORREA DA COSTA (Brazil) said that meetings of the Economic and Social Council afforded an excellent opportunity for a frank exchange of views on the world economic situation and its prospects. Exchanges of that kind were particularly useful for developing countries, as they enabled them to review programmes for furthering international economic co-operation.

31. Such co-operation was now undergoing the effects of the worsening international economic situation. Continuing high rates of inflation and unemployment were still preventing the countries of the North from achieving what they considered to be adequate levels of economic growth, and the countries of the South faced the same difficulties, but to a greater degree. Also, the new protectionist measures adopted by the developed countries were resulting in a drop in the developing countries' export earnings. Lastly, the policy of high interest rates pursued by countries of the North which were net exporters of capital not only curbed their foreign investment but also restricted developing countries' access to financial markets.

32. The economic difficulties of the South and the North had led to the virtual stagnation of economic growth. That fact in itself should stimulate the North-South dialogue, which, unfortunately, had also come to a standstill. Despite such worth-while initiatives as the Cancún summit meeting, the industrialized countries were loath to launch themselves on what had nevertheless been generally envisaged as a great "joint venture" for world prosperity.

33. The countries of the North adopted an egocentric and missionary attitude towards international economic problems; they did not regard developing countries as worthy partners. That attitude explained why the developed countries, at least those with the most influence, were only interested in a dialogue in so far as it did not interfere with domestic or bilateral projects drawn up by small groups to resolve their own problems. The statistics showed that 30-50 per cent of exports from the United States of America, Japan and the European Economic Community depended today on developing countries' markets. But the missionary attitude of developed countries made them view the North-South dialogue merely as a channel for distributing wealth

between the rich and poor, whereas true co-operation presupposed a just and collective participation in the common struggle for development.

34. His delegation believed that the main obstacle to international economic co-operation, and hence to a resumption of economic growth, was precisely that individualistic conception of the North-South dialogue. In the context of the United Nations, which concerned the Council more directly, a general withdrawal from more substantial commitments by developed countries, including the socialist countries, was plainly discernible. The impasse in the launching of global negotiations, and the countless reservations and interpretative statements which characterized the International Development Strategy for the Third United Nations Development Decade were striking examples of that tendency. That backing-away process also tended to diminish the important role played by the multilateral system and by the United Nations in particular. Ideas such as "graduation", "burden-sharing" or the definition of "new categories" of countries were re-emerging. Those ideas were quite unacceptable to his country, as the industrialized countries used them as an excuse to withdraw from their commitments in the matter of international co-operation, trying to justify themselves by such laudable principles as the need to channel co-operation on a priority basis to countries in the greatest need. In practice, however, the measures they took were designed not only to exclude a large number of developing countries from the benefits of co-operation, but also to camouflage a reduction in their support for multilateral development institutions, even for those they claimed to hold in high esteem, such as UNDP. If the developed countries really wished to give priority assistance to the poorest countries, why were they so reluctant to replenish the resources of IDA, which was designed precisely to meet the financial needs of those countries?

35. His country regarded ideas such as those he had mentioned as a serious threat to the spirit of international co-operation which had marked the evolution of the world economy in the post-war period. It rejected the idea of graduation, which would bring about a still greater deterioration in the conditions of access, not only to financial markets, but also to international trade, thereby clashing with the machinery of the generalized system of preferences.

36. When the Council came to examine the reports of its various subsidiary organs, it would once again have occasion to note the lack of progress in international co-operation; and once again there would be subtle manoeuvres to disguise that situation behind non-committal resolutions, particularly on questions of the greatest importance for developing countries.

37. Those countries' concern was not groundless. It was justified, for example, by the position taken by the developed countries in the negotiations to establish a financing system for science and technology for development. Such machinery was considered to be of crucial importance for the developing countries, but it was in danger of being transformed into just one more of the

already large number of funds in the United Nations system. The industrialized countries, by taking an excessively rigid stand and craftily exploiting certain differences in the Group of 77, had managed to induce it to relinquish one of the most fundamental bases of post-war co-operation, namely, the principle of non-compulsory reciprocity in co-operation machinery. The negotiations on the financing system had also enlightened the developing countries as to the true intention of developed socialist countries, whose boycotting of the negotiations was unjustifiable. The same could be said of a small group of industrialized countries which had tremendous potential for co-operation but had deliberately remained aloof from the negotiations.

38. The attitude of the developed countries towards the negotiations on a code of conduct for transnational corporations was also disturbing, for they were gradually disavowing that code. Whereas the position of the Group of 77 conformed to the original objectives of the negotiations, the industrialized countries were systematically attempting to transform the code into an instrument for guaranteeing foreign investments, which, frankly, was far from the original intention.

39. In those two series of negotiations, the aim of the developed countries was clear: to sap the basis of international co-operation, so arduously built up over a period of more than two decades. If that were to happen, it would have dire consequences for the development prospects of the third world and for the world economy as a whole. In reality, the multilateral philosophy of international economic co-operation was under full-scale attack.

40. That having been said, the past year had been marked by the establishment of a new basis for co-operation through the implementation of the Caracas Programme of Action on Economic Co-operation among Developing Countries. His country considered that South-South co-operation had already produced encouraging results, despite the severe material limitations faced by developing countries. Various areas of possible action were being explored, and if it only depended on the countries of the South, the path to co-operation would never be blocked. Brazil considered it extremely important that horizontal co-operation should be expanded, not as an alternative to co-operation with the countries of the North, but as a search for new areas of joint action to overcome the economic problems which had become more acute as a result of the impasse in the North-South dialogue.

41. He believed he had made clear his country's position on the difficulties facing international co-operation. Criticism could be useful in giving international economic relations a new and positive direction. The Economic and Social Council was an invaluable forum for increasing contacts and promoting understanding and it had an important role to play in furthering international economic co-operation. But if it was to perform that role, something would have to be done about the increasingly bureaucratic nature of Council sessions in recent years. The creative spirit which in the past had given birth to

such organizations as UNCTAD must be revived. His delegation, for its part, intended to continue to participate constructively in any efforts undertaken in that direction.

42. Mr. CARVAJAL (Chile) said that the *World Economic Survey 1981-1982* gave a full picture of the international economic situation, together with a realistic appraisal of future trends and prospects in the world economy. While the quality of the Survey was a source of satisfaction, the same could unfortunately not be said of the gloomy state of affairs it portrayed. Day after day, members of the Council had occasion to note the instability and uncertainty weighing upon both the public and the private sectors of their economies, which had to adjust continuously to changes stemming from decisions and policies adopted abroad, as well as to changes caused domestically by the play of market forces.

43. For some years past, the analysis of present and future trends in the developed and developing economies had revealed increasingly long cycles of crisis and recession interrupted by brief periods of growth. That state of affairs was a result of excessive structural rigidity, the existence of which was ignored or acknowledged too late, but which produced a series of phenomena with extremely damaging effects upon growth and stability. Consequently, in view of the growing interdependence of national economies, the developing countries were directly concerned by the situation in the developed countries, just as they felt the impact of the measures adopted by the latter to solve their domestic problems. Thus, in 1981 the developed countries' policy of squeezing public expenditure in order to reduce their budget deficits had clearly been the main cause of the increase in inflation. The adoption of restrictive monetary and fiscal policies led to continuing high interest rates or widely fluctuating exchange rates, the appreciation of the dollar and a general fall in the demand for and the prices of the commodity exports which represented the main source of revenue for the developing countries. In the case of Chile, the result had been a 22 per cent decline in the terms of trade between 1979 and 1981. To mention but a few figures, the real price of copper, a commodity accounting for 50 per cent of his country's export earnings, had dropped by 41 per cent, that of sawn pine wood by 13 per cent and that of fish meal by 43 per cent.

44. Recently, at the Versailles summit meeting, the industrialized Western countries had recognized the need to curb inflation, stabilize their currencies, and above all reduce interest rates, in order to bring about a rapid upturn in the world economy. Those good intentions must be followed by practical measures. His delegation believed that co-ordinated international action could make a great contribution to economic recovery and had thus heard with great interest the statement of the United States representative (31st meeting) explaining his country's position on the agreements reached at Versailles.

45. There could be no doubt that world economic trends up to the end of the year, and indeed to the end of the decade, would depend on the willingness and ability of

countries to adjust to the new situation. The uncertainty currently prevailing was largely due to the increasing failure to abide by the rules of the multilateral trading system. The drop in the economic growth rate of the industrialized countries since the mid-1970s had led them to resort increasingly to protectionist policies and to a whole range of special measures aimed at mitigating domestic problems: market regulation, voluntary restrictions, safeguard measures, all kinds of subsidies, non-tariff barriers and, broadly speaking, growing intervention by the State in economic affairs. Furthermore, the countries with the upper hand in negotiations "exported" many of their domestic problems, knowing full well that the weaker countries would not be able to correct the increasingly serious disequilibrium generated as a result.

46. His country wished to state once again that the only way to ensure sustained growth was to liberalize international trade so as to foster its expansion on a basis of comparative advantage. The free-trade system upheld by GATT should therefore be strengthened and improved. The participants in the GATT ministerial meeting in November 1982 would have to take definite steps to prevent the upsurge of protectionism and to encourage trade liberalization. In particular, they should give top priority to trade in agricultural products, which had been systematically neglected for 35 years, and try to find a solution to the problems relating to competition, especially the problem of subsidies.

47. The developing countries were keenly interested in the question of structural adjustment, particularly its commercial side. His country had played an active part in the search for a multilateral consensus aimed at strengthening that adjustment process.

48. His delegation considered it most regrettable that the global negotiations had not yet begun, since they could make a key contribution to the establishment of the new international economic order and were of major political and economic importance. His country fully supported the position of the Group of 77 on that matter and was pleased to see that some industrialized countries seemed quite ready to accept it. Progress would certainly be possible in that area if the question of protectionism and structural adjustment received all due attention at the sixth session of the United Nations Conference on Trade and Development.

49. Co-operation among developing countries was an essential aspect of international economic co-operation, as was stressed in the Programme of Action adopted by the Group of 77 at Caracas. Major obstacles remained to be overcome in that field, and progress would be speedier if unconditional support were forthcoming from the United Nations bodies.

50. His country attached great importance to the work of the Economic and Social Council and agreed that it should play a wider role as the main United Nations body responsible for dealing with economic and social problems. His country was therefore actively co-operating in the efforts aimed at revitalizing the Council.

51. Finally, while it was clear that during the current period of crisis countries all had to make sacrifices, a proper balance should be struck so as to ensure that the developing countries did not suffer tragic recessions and the developed countries did not have to face unreasonable demands. Countries should form a common front and seek solutions based on understanding, co-operation and mutual respect.

Mr. John R. Morden (Canada), Vice-President, took the Chair.

52. Mr. ZAPOTOCKY (Observer for Czechoslovakia) said that the international situation, which was worsening day by day, was drawing attention away from the serious international economic problems. In order to resolve the present crisis, account should be taken of the links between arms expenditure on the one hand, and economic problems and development aid, on the other. Economic difficulties were sometimes adduced as a justification for cutting back such aid, but that argument was a hollow one, inasmuch as the difficulties did not prevent a rise in military expenditure. Military spending had harmful effects on the world political situation and on international economic co-operation.

53. The United States of America advocated a reduction in trade with the socialist countries, and in particular had imposed an embargo on the export of some technology, which must inevitably seriously disrupt international trade relations and harm the interests of other countries, particularly Western countries. That attitude was contrary to the spirit of the Final Act of the Conference on Security and Co-operation in Europe, signed at Helsinki in 1975, and other international instruments. To renounce co-operation between Western and Eastern countries would certainly worsen the overall economic situation.

54. Furthermore, the developed countries subjected their economic aid to the developing countries to increasingly harsh conditions and granted aid only in the light of their own political and strategic interests. Political tension was rising, while the world economy and the economies of the capitalist countries were passing through a real crisis, which was resulting in higher unemployment, a worsening of social problems, more rapid inflation in many capitalist countries and destabilization. The developed capitalist countries, which had formerly preached interdependence, were now following a policy of "every man for himself" and seeking to impose their political and economic theory on others. One of them in particular held three quarters of the world's currency reserves and was following a policy of high interest rates which was affecting the whole world.

55. With regard to trade, there was a multiplication of protectionist and discriminatory measures aimed at restricting imports from the developing countries and the socialist countries. Such measures affected 46 per cent of the products exported by the countries of Africa, Asia and Latin America. Protectionism, which was a threat to the capitalist countries themselves, was a tendency to be combated. The participants in the GATT ministerial

meeting and the sixth session of the United Nations Conference on Trade and Development would have to investigate means of remedying the present situation. As far as the adoption of new trade rules was concerned, due account should be taken of the interests of all countries, and basic principles such as the most-favoured-nation clause should be respected. It was important to increase trade flows between Western and Eastern countries and to envisage new forms of co-operation such as tripartite agreements and projects for industrial co-operation in important technical areas. His delegation could not agree with the view that the developing countries could not participate in the international division of labour on an equal footing on account of their economic backwardness.

56. The regional commissions had a major role to play in the promotion of international trade; that was true in

particular of ECE, whose activities could extend far beyond Europe itself. Co-operation at the level of groups of countries or regions, however, should not harm the interests of other countries, as had recently been the case. Economic problems should be solved at the international level. In that connection, the preparations for the global negotiations in the United Nations left much to be desired. The barriers and conditions imposed by the Western countries showed that they had not understood some pressing problems and refused to solve them with due regard for the interests of all countries. His country still believed that those negotiations should be started forthwith through the United Nations, but also held that efforts should be made to render them more democratic.

The meeting rose at 12.55 p.m.

36th meeting

Monday, 12 July 1982, at 3.20 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.36

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments *(continued)*

1. Mr. VRATUSA (International Centre for Public Enterprises in Developing Countries) said that the International Centre for Public Enterprises in Developing Countries, established at Ljubljana, Yugoslavia, made a specific contribution to the efforts of the world community to achieve the objectives of the International Development Strategy for the Third United Nations Development Decade and the establishment of a new international economic order. It sought to promote the economic, social and cultural development of developing countries on the principle of individual and collective self-reliance and to establish the basis for friendly international co-operation on an equal footing, both bilateral and multilateral. A periodic report to the Economic and Social Council on its activities might help to mobilize the political will to apply comprehensive measures for overcoming the current world crisis.

2. The programmes of research, training, consultancy and information services in the field of public enterprises in developing countries initiated by the Centre eight years earlier had begun to bear fruit. The Centre was expanding its projects and programmes with the support of United Nations agencies and in active collaboration with other international, regional and national institutions working in the appropriate fields. It was decentralizing its work

and calling on the services of specialists from interested developing countries throughout the world.

3. The Centre's project in connection with the role of the public sector in developing countries had generated a number of country studies on the subject. The Centre had also embarked on studies for the continuous monitoring of the role of the public sector, which would enable it to prepare periodical intercountry and time-series comparisons. The results of a study on the concept, definition and classification of public enterprises had been issued in a publication on the personality of public enterprises.

4. In a project concerned with planning in public enterprises, the Centre had embarked on a comparative study of various planning systems in developing countries, and workshops had been held in several regions. With the co-operation of specialists from a number of developing countries, efforts had been made to prepare a manual on participative planning. A project relating to the financing of public enterprises, under which one specialized theme was examined annually, had made good progress, having already covered a variety of subjects, including control systems, financial profits and losses and joint ventures. A wage policy study had been undertaken in 1982 and was to be followed in 1983 by an examination of the role of the banking sector.

5. The education and training project was developing in two directions: comparative research on educational systems and human resources development in developing countries, and continued training courses for English-speaking and French-speaking countries, combined with the development of curricula and training evaluation

studies. The Centre hoped to conduct training courses in Spanish and Arabic in the near future.

6. The first phase of research in a project concerning workers' self-management and participation had been successfully completed with the publication of two volumes of country studies examining the development of participative processes in a number of developing countries. The third volume was in preparation. The project was moving into the second phase of the direct examination of case studies of enterprises following the participative principle. The self-management and participation project had attracted considerable interest and attention and had been the subject of international conferences, attended by experts and policy makers from various regions of the developing world.

7. An important programme area related to the management of the transfer and development of technology. The Centre sought to examine the organizational and managerial aspects of technology transfer and indigenous technological development. The intention was to develop a number of specific instruments, such as model contracts, guidelines and manuals to help developing countries and their public enterprises to strengthen their bargaining power and systematize their progress towards higher technology.

8. The full participation of women in the development process had become an international objective. The Centre was developing a programme on the role of women as a factor in development and the responsibilities of public enterprises in that regard. The subject was to be included in all the other programmes and projects of the Centre, whose efforts in that area had received international endorsement, particularly at the World Conference of the United Nations Decade for Women: Equality, Development and Peace, held at Copenhagen in 1980.

9. The Centre, which was associated with the Nationhood Programme for Namibia, had been invited by the United Nations Council for Namibia to undertake specialized training courses for groups of young Namibians, who were being trained as future managerial staff. Two groups of Namibians had been trained in 1980 and 1981 and the third group was currently in training.

10. The Centre had paid special attention to the needs of the least developed among the developing countries and had been evolving a performance improvement methodology known as Optimum Performance Through Internal Management Action (OPTIMA), which was particularly adapted to their needs. OPTIMA was based on the principle that there should be a continuous programme for the better management of public enterprises, planned and executed by the enterprises themselves on the self-reliance principle. It called for collaboration with Governments and national training or productivity institutions and for the participation of enterprises in the country concerned. The procedure was for an interdisciplinary team of Centre consultants, composed mainly of economists, lawyers and planners, to visit selected enterprises and prepare on-the-spot case studies highlighting the main problem areas and the

options facing the enterprises. The case studies were then presented at a national workshop, attended by managers and government officials dealing with the public sector and public enterprises. OPTIMA exercises had been successively completed in Somalia, Ethiopia and Cyprus. A number of enterprises had been examined and a body of case-study material had been built up. Follow-up action was to be taken at a later date.

11. The Centre had been increasingly involved in activities connected with the promotion of economic and technical co-operation among developing countries following the High-level Conference on Economic Co-operation among Developing Countries, held at Caracas in 1981. The most innovative of those efforts had been in the key sector of State trading. In collaboration with UNCTAD and ITC, the Centre had organized early in 1982 the first symposium of State trading organizations of developing countries, attended by 69 participants, including the heads of State trading organizations of 29 developing countries. Management problems in State trading had been discussed, and import and export strategies, techniques and services in the context of economic and technical co-operation among developing countries had been considered. A resolution for the establishment of a steering committee aimed at the setting up of a permanent association of State trading organizations of developing countries had been adopted, and the Centre had offered to assist in the formation of such an association. The results and report of the symposium had been circulated to UNCTAD, ITC and the State trading organizations of developing countries.

12. The Centre had been preparing a new four-year programme of work for 1983-1986 for submission to the Third Assembly of member countries—which already numbered 33—to be held in October 1982. Among the main goals of the programme were the following: a further strengthening of the country-based and action-oriented approach in order to help the developing countries to pursue a policy of national independence and collective self-reliance, with the active participation of the people in public affairs; the promotion of mutual co-operation among developing countries in those areas; the progressive involvement of the Centre in economic and technical co-operation among developing countries; and the promotion of efforts for the establishment of a new international economic order.

13. The Centre would be grateful if the Council would, firstly, express appreciation for the assistance given to the Centre by some industrially developed countries such as the Netherlands and Sweden and invite other such countries to follow their example; secondly, express appreciation of the contribution of UNDP to the Centre and recommend that the specialized agencies of the United Nations and other organizations of the United Nations system should continue to extend their co-operation to it; and, thirdly, recommend that the non-aligned and other developing countries which had not yet done so should join the Centre as full members, contribute actively to its work and use its services in the interest of mutual co-operation.

14. Mr. BLANCHARD (Director-General, International Labour Office) said that the International Labour Organisation was particularly concerned with the problem of unemployment, which was one of the most serious threats facing the world today. Despite the efforts made at major international gatherings, including the Cancun and Versailles summit meetings, the world was far from being in a position to take concerted decisions to reverse the existing trend. He hoped that the efforts being made by the Group of 77 and the industrialized countries to solve the problems still impeding the convening of a conference on global negotiations would be successful, but a quick solution would be too much to hope for. Instead of awaiting the actual launching of global negotiations, therefore, the international community should derive all possible advantage from its existing resources, and particularly those of the United Nations Secretariat and the secretariats of the specialized agencies.

15. At the recent sixty-eighth session of the International Labour Conference, a preliminary discussion had been held on the problem of youth employment, and it was to be followed at the 1983 Conference by a discussion on employment problems in general. The Conference would endeavour to establish international standards for submission to member States in order to give full meaning to the concepts of freely chosen and properly remunerated employment and the right to work. It should be borne in mind that there were 29 million unemployed in the industrialized market-economy countries and 500 million unemployed or underemployed in the developing countries of the South. The gap between the two figures was certainly considerable, but both were equally intolerable.

16. He questioned the idea that, in periods of crisis, the solution of economic problems should precede and condition the implementation of social policies. Social measures could, on the contrary, be effective instruments for the solution of economic problems. That argument applied to North and South alike. While the distribution of economic power had certainly changed considerably over the past decade, the industrialized North nevertheless continued to exert a major influence on world development. The prerequisite for the recovery of the industrialized economies would include, in addition to the expansion of the economies of third-world countries and investment financing in the South, the necessary restructuring in the North. The industrialized countries' overriding aim, however, seemed to be to combat inflation and unemployment, which in many minds were interconnected. The fight against inflation was certainly essential, both on account of its effects on the economies of individual countries and because of the serious injury it caused to poor countries by putting competition on a false basis, reducing the opportunities of developing countries and seriously affecting their terms of trade. But monetary techniques alone were hardly likely to restore economic growth in the North. How, then, was the burden of inflation in the industrialized countries to be relieved? The obvious answer was by renewed investment and the expansion of production.

17. It must be realized, however, that the absorption by 1990 of some 29 million unemployed in the industrialized countries, combined with an annual growth in the active population of those countries of just under 1 per cent, would, with the current productivity growth of 2 per cent *per capita* per annum, require a GNP growth rate of between 4 and 4.5 per cent, which was unlikely to be achieved. The average annual growth rate of the industrialized market-economy countries, which had stood at 3.3 per cent in the 1970s, had fallen to 1 per cent in 1981, and would probably reach no more than 1.3 per cent in 1982.

18. What, then, was to be done if the employment problem could not be solved by purely economic means? The right kind of social measures, applied as part of a consensus among the social partners, might contribute substantially to a solution. For example, work could be reorganized on a different basis. There were many workers in the industrialized countries, often enjoying family incomes from a number of sources, who would probably be willing to accept different terms of employment, such as part-time work, or longer holidays, both for leisure and for re-training. Similarly, extended schooling and modern forms of vocational training ought to equip young people better for their entry into the labour market.

19. While such measures would no doubt lower productivity, they would not necessarily affect technical progress. The opportunity should therefore be taken of moving towards greater social progress and towards a greater humanization of work. To obviate any inflationary effect, there would no doubt have to be a change in the wage structure—not an impossible task, since the scope for manoeuvre available to the social partners and the public authorities was undoubtedly much greater than might be thought. While the North was rightly concerned with its own affairs, however, it also had responsibilities towards the rest of the world. North-South solidarity was not just a question of ethics; it was also a question of long-term interests. At present, the number of people in the South who lived below the level of absolute poverty was nearly as great as the total population of the industrialized countries. That was an intolerable situation, particularly in view of the ever-increasing amount of resources devoted to armaments. There could be no doubt that even a small proportion of the current expenditure on arms would be enough to produce a rapid rise in the standard of living of the most disadvantaged in the third world. There was therefore every reason to be concerned at the reduction in bilateral public aid and at the decline in the activities of UNDP.

20. It would augur well for the success of the global negotiations, once they were launched, if the industrialized countries of both the East and the West were to increase the transfer of financial resources regularly and to help the countries of the third world to restore their balance-of-payments situation and accelerate their economic development. For their part, the countries of the South would be encouraged to make the necessary effort to derive the maximum benefit from their own resources and from those to which they had access.

21. Among those resources was skilled manpower. Few realized the great efforts that went into training in the developing countries which were, paradoxically, reflected in the massive migration of executive technical staff, skilled workers, engineers, members of the professions, etc. Indeed, the amounts sent to their families by such migrant workers constituted one of the most important components of financial flows.

22. Those migratory movements were only one indication of the enormous difficulties encountered by the developing countries in their efforts to achieve both social and economic progress. In difficult circumstances, it was social objectives that were inevitably the first to be sacrificed. In his opinion, however, there were three ways in which the social sector made a contribution to the economic sector.

23. Firstly, the tensions created by unemployment or poverty or disregard for human rights were an obstacle to the establishment of enterprises, to investment and to the launching of major projects. They imposed costs that were both psychological and material. Social peace was essential for economic development.

24. Secondly, social prevention measures made it possible to avoid expenditure which was considerably higher than the cost of the measures themselves. That was true in many areas, including those of health, industrial hygiene, working conditions and the environment. Prevention was better than cure.

25. Thirdly, rational employment policies could often ease the problems of Governments faced with monetary instability, inflation and balance-of-payments deficits. If a series of measures was formulated to provide employment for the unemployed or underemployed in order to produce goods and services intended for local consumption, and, in particular, for food production, imports would be reduced and the pressure on the balance of payments lessened; moreover, the economies of the developing countries would be less subject to the fluctuations of world markets and less sensitive to inflationary trends. Such a self-reliant approach could be carried beyond national frontiers and be extended to nations with a comparable level of development.

26. To ignore the social aspects of development would be to endanger the future. Under the pressure of unemployment, the industrialized countries would have to reconsider their traditional social policies. The building of modern and democratic nations in the third world would only be possible if the countries in it were given a fair chance and if social and economic progress went hand in hand.

27. In conclusion, he assured members of the full support of the International Labour Organisation for the efforts being made to revitalize the work of the Council.

28. Mr. VRHUNEC (Yugoslavia) said that, in the most serious economic crisis since the Second World War, the developing countries bore the heaviest burden, since they were victims of both the short-term situation and the structure of international economic relations. Their *per capita* production was declining for the first time, and they were faced with an increase in their balance-of-payments

difficulties, a continuous rise in their foreign debt and a decrease in their export earnings. Their terms of trade had deteriorated in the period 1978-1981 by about 20 per cent. That was due to a large extent to the economic policies adopted by some developed countries.

29. There were two central problems, which affected the world as a whole but particularly the developing countries. The first was the decline in the growth of world trade as a result of the restricted access of developing countries to markets, owing to growing protectionism. The second problem related to liquidity, increasing balance-of-payments deficits and unstable currency exchange rates.

30. Because of the interdependence of economic problems, the isolated measures taken by economically powerful countries or groups of developed countries could not resolve the contradictions resulting from profound structural imbalances. The present crisis could be overcome only through joint radical measures that would change the existing system of international economic relations. It was becoming increasingly evident that the developed world was unable to find a way out of the existing crisis through traditional measures. Instead of a comprehensive approach, however, economic introversion, partiality and restrictiveness were becoming more and more manifest and were reflected in various measures calculated primarily to preserve the domination of the most powerful in the world economy.

31. The non-aligned and developing countries had for some time been warning that the international system was in need of a fundamental change. Recovery could be achieved only through the establishment of a new international economic order. The need for such a new order stemmed from the entry of many newly independent countries on to the international scene as active members of the world community. Those countries rightfully wished to ensure a uniform and equitable participation in the international division of labour, in order to secure the necessary conditions for their own development. At the same time, developing countries were increasingly emerging as business partners with growing productive capacities and markets which represented an important factor for the revitalizing of the entire world economy.

32. With reference to the concern expressed by ACC at the dangerous erosion of the system of multilateral co-operation, his delegation would not deny that the system ought to be more efficient, but it could not agree to a reduction in the role of the United Nations system or its replacement by bilateral forms of co-operation. Although bilateral co-operation played a highly significant role in many respects, the increasing internationalization of production and intensified interdependence called for the development of multilateral co-operation in the interests of all countries. For developing countries, the international organizations were irreplaceable forums for political discussion and negotiation and their role should be constantly strengthened. The present picture, however, was one of stagnation in negotiations between developed and developing countries in almost all areas

and institutions. All countries should make a political assessment of the effects of stagnation in co-operation and determine, in particular, how that stagnation could affect peace and security in the world. The global negotiations which had been the subject of consultations for almost three years should start without further delay; the differences which had arisen could be overcome with a minimum of goodwill. There was no doubt that agreement on the opening of global negotiations would have a favourable effect on international relations as a whole.

33. Important conferences were shortly to be held at which developing countries expected their problems to be the focus of attention. In June 1983, the sixth session of the United Nations Conference on Trade and Development would be held at Belgrade. There was broad agreement that the Conference should deal with topical issues relating to commodities, trade and the monetary and financial field in the context of development. Nevertheless, his delegation was concerned at the fact that even the provisional agenda had had to be decided on by voting, despite the desire of all countries that, in accordance with traditional practice, it should be adopted by consensus. Developing countries had shown that they approached the Conference in a desire to seek solution by agreement, through negotiations. They expected that all developed countries would also adopt a positive approach and try to ensure that at the sixth session a significant contribution was made to the solution of world economic problems in the interest of all countries.

34. In November 1982, there would be a ministerial meeting of GATT which should lead to improved performance in world trade and to the solution of many specific questions that had remained unsettled since the Tokyo Round, particularly those of great importance to developing countries.

35. Nearly two years previously, the United Nations had adopted the International Development Strategy for the Third United Nations Development Decade, but it would remain only an expression of good intentions unless the necessary measures were taken to achieve its goals. As a general framework of activities at the multilateral level, it should represent the basis for specific action by all United Nations institutions, which should be aimed at dealing with the most acute issues.

36. Developing countries must inevitably seek to strengthen individual and collective self-reliance. They would have to improve existing forms of co-operation with each other and develop new ones, in order to make use of their comparative advantages and of the progress made in particular sectors. In so doing, they would not only strengthen their position in the international community but also contribute to the development of general international co-operation. Economic co-operation among developing countries was not intended to replace co-operation with developed countries, nor did it free the developed countries from their obligations with regard to the developing countries. It should receive all possible support from the entire United Nations system.

37. The Council's current role in international

economic relations was far below that originally intended for it under the Charter of the United Nations.

38. The gravity of the problems shaking the very foundations of international relations, however, required the active participation of the Council in their settlement. His delegation hoped that the current session would see the adoption of a draft resolution circulated at the previous session as Conference Room Paper 1982/4, which, although it did not go as far as his delegation would have liked, would stimulate the process of the revitalization of the Council and contribute to the strengthening of the entire United Nations system.

39. In conclusion, he said that it was an illusion to think that the postponement of the solution of problems would create more favourable conditions. Experience had shown that the very opposite was the case and that delay multiplied the problems. The current session offered an opportunity to reaffirm the role of the United Nations in international economic co-operation and the determination of members to seek solutions through joint efforts, associated with a mutual and equitable recognition of individual interests and positions in international economic relations.

Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

40. Mr. MIYAKAWA (Japan) said that the world economy was still suffering from the prolonged recession that had resulted from the second oil crisis in the late 1970s. The struggle of the industrialized economies to cope with high rates of unemployment and inflation had not so far been successful. According to the *World Economic Survey 1981-1982*, the growth of their GDP had dropped to 1.5 per cent in 1980 and was estimated to have been 1.2 per cent in 1981. Protectionist pressures had inevitably ensued, but it was essential to fight against them and to maintain a free trading system. At the same time, high interest rates were having an adverse effect on all national economies.

41. The recession had its most serious effect on the economies of the developing countries. Some of them, of course, in particular those in East and South-East Asia, had been able to achieve steady growth through sustained self-help efforts, and that provided some grounds for hoping for a revitalized world economy. Such efforts should be encouraged and supported by all possible means. The developing economies as a whole, however, had been undermined by high energy prices, the decline of export opportunities and the stagnation of foreign capital inflows. The growth rate of their GDP had fallen to 2.9 per cent in 1980 and only 0.6 per cent in 1981, a sharp drop from the annual average of 5.6 per cent in the 1970s. As a result, there had been an actual decline in their *per capita* GDP, for the first time since the late 1950s. The critical balance-of-payments position of oil-importing developing countries, and low-income countries in particular, was a matter of great concern. Their liquidity position had become very difficult and in some cases they had been obliged to scale down their development programmes.

42. There was no panacea for the world's problems as a whole, yet it was difficult to find independent prescriptions for each problem individually. Given the complicated and interrelated nature of the problems, all countries must co-operate in dealing with the crisis. A constructive dialogue and greater mutual accommodation were essential for that purpose. Accordingly, Japan attached great importance to the early launching of global negotiations.

43. As one of the countries responsible for the management of the world economy, Japan fully recognized its obligation to contribute to the expansion of world trade. It had taken a dual approach, stimulating domestic demand and at the same time opening still further its national market. To spur domestic demand, measures were being taken to speed the conclusion of contracts for public works in the first two quarters of the fiscal year 1982. The Government would continue to manage the economy appropriately and flexibly in response to trends in the domestic and world economies, with a view to maintaining and expanding domestic demand.

44. To attain balanced growth in trade, access to markets must be maintained and increased. Although Japan's tariff rates were already amongst the lowest of any industrialized nations, the Government had decided upon a number of measures in December 1981, including an across-the-board reduction of tariff rates two years ahead of the schedule established under the Tokyo Round agreements and an improvement in import control procedures. In May 1982, additional measures had been taken to facilitate market access, including a further reduction of tariff rates, the relaxation of import restrictions and the liberalization of trade in the services sector. They bore witness to Japan's firm commitment to the maintenance and strengthening of the free trade system, and its Government would continue to make every possible effort to that end.

45. Japan was also determined to contribute further to the development of the world economy and to global peace and stability through economic and technical co-operation with the developing countries. The Government was striving to expand further its official development assistance under its new medium-term target for the five-year period beginning in 1981, to double the level of the preceding five-year period. It would also endeavour to increase its official loans and would respond positively to requests for capital subscription from international development finance institutions. Its severe fiscal constraints made it essential, however, that aid programmes should be implemented efficiently, so that the limited resources available were fully utilized. That in turn called for co-operation by the recipient countries in adopting corresponding domestic policies.

46. The current economic situation made it more than ever necessary that there should be a constructive dialogue involving all countries. At the Versailles summit meeting, all the participants had agreed that the launching of global negotiations was a major political objective, and it had been generally accepted that the

draft resolution circulated by the Group of 77 in March 1982 should serve as a basis for consultations. They had accordingly agreed on a limited number of amendments to the text of the Group of 77. Unfortunately, consultations in New York prior to the current session of the Council had not succeeded in producing agreement on those amendments. His Government believed that the political will shown at the summit meeting had provided a genuine momentum for the early launching of global negotiations and hoped that the difficulties encountered would not be insurmountable. It appealed strongly to all countries and groups to adopt a flexible attitude and to seek to reach an agreement without losing the current momentum.

47. Despite the impasse on global negotiations, considerable progress had been made in other forums for the North-South dialogue, in particular the United Nations Conference on New and Renewable Sources of Energy, held at Nairobi, and the United Nations Conference on the Least Developed Countries, held in Paris. At the recent session of the Interim Committee on New and Renewable Sources of Energy, which dealt with the follow-up to the Nairobi Programme of Action, agreement had begun to emerge on holding consultative meetings on the implementation of specific priority measures, which Japan believed would serve as a useful means of generating additional funds and improving co-ordination between various sources of finance. Although the Programme of Action was a comprehensive and valuable document, the policies it contained were still quite vague, and it was therefore very important to consider how best to translate them into concrete measures. Japan believed it was essential to establish solid machinery for following up the Programme, of which the most important elements should be an intergovernmental body and a small but effective secretariat, and hoped that a satisfactory agreement would be reached on those points at the thirty-seventh session of the General Assembly.

48. Japan also welcomed the constructive outcome of the Paris Conference and stressed the importance of implementing the recommendations in the Substantial New Programme of Action for the 1980s for the Least Developed Countries. It would make every effort to implement that Programme, as part of its attempt to strengthen co-operation with low-income developing countries. While endorsing the latest recommendations of the Committee for Development Planning on the least developed countries, it agreed with the comment in its report (E/1982/15 and Corr.1 and 2) that the acceptability of the categories outlined as guides for the allocation of international development assistance depended on the validity of the criteria used. The Committee should undertake a basic review of the criteria for the least developed countries and should also try to clarify the criteria for other categories, such as the island developing countries.

49. As a country which had transformed its economy, in just one hundred years, from an agrarian to an industrial one, Japan was well aware of the important role played by

science and technology in development. In order to promote efficient international co-operation in that field, it was necessary to define more concretely the priority areas of concentration for activities under the operational plan for the implementation of the Vienna Programme of Action on Science and Technology for Development. The same principle should apply to the operation of the financing system, so that available resources could be effectively utilized to strengthen the scientific and technological capabilities of developing countries.

50. Although progress in the North-South dialogue was slow, there had been concrete achievements in certain areas, in particular the Agreement Establishing the Common Fund for Commodities. However, because of the slow progress in the signing and ratification of the Agreement, its entry into force had been considerably delayed. He therefore appealed to those countries which had not yet signed and ratified the Agreement to do so as soon as possible.

51. The revitalization of the Economic and Social Council had been urged at every summer session of the Council in recent years. Although no significant progress had been made so far, brighter prospects seemed to be emerging for the rationalization of procedure. The appeal made by the former President of the Council, Mr. Lusaka, and the untiring efforts of the President at the current session, together with the positive attitude of the Secretary-General, had resulted in an informal draft resolution on that important subject, which would form a useful basis for discussion. Among the measures suggested, he regarded as particularly important the concentration of attention on a limited number of carefully selected major policy issues, the review of documentation and the proposal to refrain from the establishment of new subsidiary bodies.

52. Although the revitalization of the Council was regarded by many Member States as a paramount necessity, there was a conflict of interest over the actual measures to be taken. The Council should therefore adopt a pragmatic approach. To strengthen its leadership role, the medium-term plan should be utilized to the full as an important instrument for facilitating system-wide co-ordination. Co-operative arrangements, such as joint programmes involving many organizations, should be further promoted. He endorsed the Secretary-General's view that there should be greater effort for international co-operation in the areas of energy and agriculture. Japan was particularly concerned with the activities of the United Nations system in the energy field, which had so far received only a very small part of the resources available to the system, despite the urgent need for intensified activity. Accordingly, it called on all the international organizations concerned to co-ordinate their efforts in order to solve the vitally important problems that confronted the world in those fields and to plan and implement joint projects for international co-operation.

53. Miss DEVER (Belgium) said that the world economic situation was hardly encouraging. Even were it not to deteriorate further, which was far from impossible,

no genuine improvement seemed to be in sight. The few signs of recovery that were emerging would only take effect in 1983, and in the meantime stagflation persisted, with the industrialized countries experiencing extreme difficulty in returning to non-inflationary growth. In 1981, the recession had basically been limited to some Western European countries. By 1982, it had not only lasted longer than had been forecast but had extended to nearly all the industrialized countries, including Japan and the United States of America.

54. The persistent weakness in economic activity had seriously affected the oil-importing developing countries. In most of them, *per capita* income had declined appreciably. The stagnation in world trade had cut into their exports, and their terms of trade continued to deteriorate. The current-account deficit of the non-oil-producing developing countries had worsened in 1982 for the fifth consecutive year, and high real interest rates were increasing considerably the burden of their external debt, which in many cases had already reached an intolerable level. That last development, together with the dwindling current-account surplus of the OPEC countries, endangered the smooth operation of the entire international financial system.

55. In an effort to adapt their economic policies to the complicated situation, the Governments of the industrialized countries, motivated by the determination either to slow down inflation or to reduce their external debt, or both, had generally instituted restrictive policies. Such policies, however, based on choices determined by national objectives, had contributed little to averting the risk of further decline. Interest rates continued to be erratic and there were sudden fluctuations in rates of exchange and massive movements of short-term capital. Those disturbances had been particularly troublesome for the countries most open to external influences. Belgium, for example, would experience a further deterioration in its current external payments deficit in 1982 and its GNP would decline for the second consecutive year, while the stagnation of investment meant that unemployment already stood at a seasonally adjusted rate of 12 per cent.

56. The scope of the recession illustrated the interdependence of the world economy, manifested not only through trade links but also, and increasingly, through financial links. Capital markets had become very sensitive to outside events and the room for manoeuvre of national monetary authorities had decreased considerably.

57. A better co-ordination of economic policies was therefore imperative, and each country must be aware of the effects of its policy on others. Co-ordination within groups was no longer enough; co-ordination at the world level was essential. The Council had a contribution to make in that connection. The authors of the Charter of the United Nations had intended the Council to be not just a forum for the discussion of economic and social questions but the principal organ for making recommendations in that field to the General Assembly, to Member States and to the specialized agencies concerned. Over the years, that part of the Council's mission had been very much eroded. Her delegation

therefore welcomed the appeal of the Director-General for Development and International Economic Co-operation for a more forceful and detailed general economic debate in the Council. Such a debate could lead to the formulation of general recommendations for the improved co-ordination of policies and thus help to give new impetus to international economic activity.

58. As far as international economic co-operation at the world level was concerned, there could be no doubt that it had been impaired by the difficult economic situation. A greater participation of the developing countries in world economic activity would be in the interests of the entire international community. Such an objective could only be achieved, however, if the world trading system remained open, with free and balanced conditions. It would also require constant effort on the part of the developing countries themselves. The economic history of most of the industrialized countries showed that it was principally through their own efforts that they had achieved steady development.

59. The global negotiations should restore the multi-lateral system of co-operation, thus speeding the development of the developing countries and contributing to the recovery of the world economy. That ambitious objective could at best be attained only gradually. In the meantime, isolated efforts would probably be necessary or ought to be pursued in specific sectors where urgent action was called for. She had in mind in particular the struggle against hunger and malnutrition and the fields of energy and international trade. She also referred to the search for long-term arrangements for the United Nations Financing System for Science and Technology for Development. In the previous six months, serious progress seemed to have been made in those negotiations, but there were still areas of uncertainty which much be cleared up. They included institutional matters, on which mutual concessions would be necessary. It was also essential for enough industrialized countries and potential contributors among the developing countries, including the OPEC countries, to agree to contribute substantially and in a balanced fashion to basic resources. Consultations were continuing at Geneva during the current Council session. They should bring closer an agreement which seemed already within reach, and which could be concluded before the end of the year if the international community so wished.

60. With regard to the revitalization of the Council, she said that the President's comments in his opening statement would be an inspiration to action. She hoped that it would be possible in future to avoid polemics on extraneous topics which impeded rather than contributed to the attainment of the goal aimed at. The revitalization of the Council could and should be achieved without amending the Charter of the United Nations. General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system laid down the desirable guidelines. Her delegation was in favour of simplifying the machinery of the subsidiary organs of the Council, of the direct assumption by the Council, as far as possible, of the functions of the

subsidiary organs, of the organization of thematic sessions, and of a more active participation by member States in the Council's work. She believed in the need for and the possibility of better co-ordination of the activities of the institutions in the United Nations system, which was one of the basic functions entrusted to the Council by the Charter but was in fact carried out only at the inter-secretariat level.

61. In conclusion, her delegation hoped the Council would recommend a more rational division of work between the General Assembly and the Council in the economic and social fields. That would enable the principal organs of the United Nations to examine in depth a limited number of matters requiring attention and decision. The Organization had suffered too much already from duplication and fragmentation of work and the pointless referring of matters from one body to another. The President's authority and his determination to make progress in revitalizing the Council were a guarantee that the aim would be achieved. Her delegation could be counted on for active support in that effort.

62. Mr. NICOL (Executive Director, United Nations Institute for Training and Research) said that UNITAR, being free from the rigidities which inevitably affected other United Nations organs, was in a unique position to provide the research that might help to solve the world's economic problems. Its work in the areas most relevant to the Council's tasks remained focused on policy choices related to the implementation of a new international economic order and on the nature of the limits on the supply of energy and natural resources. Research on alternative development strategies was continually being justified by current events; indeed, attachment to traditional doctrine was one cause of the current situation. The heightened socio-political tensions resulting from world-wide recession meant that policies aimed at alleviating poverty and ensuring a more equitable distribution of resources had to be viewed increasingly as an imperative political necessity. Such policies, however, were much harder to plan than those focused on outward-looking economic growth, they had to be sustained for long periods, and more often than not they conflicted with steps to deal with the immediate crisis which beset the third-world countries. Although the traditional model of North-South co-operation had undergone many refinements, as was evident in the policies adopted by IMF and in the Brandt Commission's report, the long-term/short-term dichotomy required solutions wider than those on the current agenda of negotiations.

63. UNITAR was engaged in a project on technology, domestic distribution and North-South relations, to determine why past national development and international co-operation policies had been unsatisfactory. The analytical tools used, though general in application, were particularly relevant to the conditions of unequal exchange, demographic pressures, high elasticity of labour supply and technological dualism characteristic of most third-world countries. The situation in some of those countries was such that social improvement could not

await further economic growth, and an alternative, more self-reliant course was urgently required. Considerable progress had been made, under that project, in constructing a new model of economic growth.

64. Research had focused largely on the international energy market as it affected North-South relations. The analysis framework developed by UNITAR concentrated on the interaction of national and international factors in a new approach. An analysis of the interrelationship of oil price changes and global demand had been complemented by a long-term study of trends in the prices of extractive resources. Analysis of that sort would have been useful in avoiding the less informed reactions of oil consumers to the oil price rises of the early 1970s and might in the future provide some predictability in a field so important for the establishment of a new international economic order. The discovery of the "optimum" petroleum price involved a sophisticated analysis and calculus. The UNITAR model had attracted the attention of OPEC, which had traditionally taken a different approach to pricing policies, and preliminary talks had been held with UNCTAD and OPEC on the possibility of using it for other commodities, particularly extractive resources.

65. Another component of UNITAR research was concerned with regional approaches to future problems. The programme on strategies for the future of Africa, stemming from the Conference on Africa and the *Problematique of the Future*, held at Dakar in July 1977, had developed along three broad lines: the State and peasantry in Africa; the State, natural resources and industrialization in Africa; and the State, the social components of the nation and world conflicts. The studies arose from a recognition of the present weakness and fragmentation of some aspects of African society and the consequent effects on Africa's relations with the outside world. The programme dealt with national problems in relation to specific trends in global development. It considered several major questions: whether the objective of a new international economic order would lose its relevance for Africa if it were confined to the exercise of control over natural resources rather than the goal of industrialization; whether Africa's future would be determined by multinational corporations, the industrialized countries and international organizations or by the Africans themselves; and what alternatives were open to Africans in charting their individual and collective future along the lines suggested in the Lagos Plan of Action. Case studies had been prepared around a typology of countries, including those attempting to establish integrated industrial economies, those relying on single commodities, those with marginal or weak economies and those directly affected by events in the Republic of South Africa.

66. A programme on strategies for the future of Asia had also been developed, and UNITAR would shortly publish the results of the Conference on Alternative Development Strategies and the Future of Asia, held at New Delhi in March 1980. Under another current project, UNITAR was examining the relationship

between Asian regional organizations, such as ASEAN, and the United Nations system, including ESCAP; the study—one of the first to examine that relationship and the effect on regional organizations of the restructuring of the United Nations economic development sub-system—explored the options and conditions for further co-operation among the members of ASEAN and between them and the United Nations.

67. Since 1976, UNITAR had been working actively on the physical supply aspects of natural resources. An international conference on small-scale energy resources held at Los Angeles in September 1981 had clearly demonstrated the vast potential of such resources. Exploitation had hitherto been limited for reasons connected, for example, with legal problems relating to the ownership of the subsoil and with the neglect of non-traditional production processes; but current price levels meant that such resources could not be overlooked. Small-scale deposits were often more readily accessible and more speedily exploitable than large fields, and lighter extraction equipment could be used; developing countries could more easily exploit them with their own technical expertise, thus avoiding economic dependence and its political consequences. The conference had included demonstrations of the use of wood residues and geothermal waste water to generate electricity, of plastic barriers for small tidal projects, of wind energy through a braking system for heating and of vertical pumps for small hydropower projects. Some of that information had been useful in preparing for the United Nations Conference on New and Renewable Sources of Energy, and a report on the work of UNITAR on energy had been distributed to the Preparatory Committee as a conference document.

68. A second international conference, held at Caracas in February 1982, dealing with heavy crude and tar sands, had likewise provided information on an increasingly important source of energy available to developing countries. An information centre on the subject, sponsored jointly with UNDP, had been set up in New York.

69. Studies by UNITAR relating to the United Nations Conference on Science and Technology for Development, held at Vienna in 1979, had been published in the UNITAR Science and Technology Working Papers Series. They covered, among other things, the role of women in development—an aspect particularly important in agriculture and food. Further research would be carried out jointly with the International Institute for Training and Research for the Advancement of Women.

70. With reference to the progressive development of the principles and norms of international law relating to the new international economic order, UNITAR had provided an annotated list of virtually all normative instruments applicable to economic relations between developed and the developing countries in a readily accessible form. The General Assembly, in its resolution 36/107, had authorized UNITAR to undertake the second phase of the study, which would include reference

to judicial and arbitral decisions and to the practice of important intergovernmental organizations.

71. A further UNITAR research project related to the establishment of a network of scholars in the field of human resources, with reference to regional and inter-regional economic co-operation; UNITAR paid tribute to the regional commissions for their work on that important aspect of the United Nations system.

72. UNITAR would continue to contribute to efforts to overcome the current economic difficulties and injustices, whilst upholding the national aspirations and achievements of developed and developing countries alike.

73. Mr. STANISSIS (League of Red Cross Societies) said that the League was the International Federation of Red Cross and Red Crescent Societies; there were 129 member societies and 18 others in course of formation. During the past 10 years, the League had had to launch, on average, one new international appeal every 17 days for emergency relief assistance; it had launched 17 appeals during the first six months of 1982—about twice the usual number. In that phase of the activity of the International Red Cross, it worked closely with United Nations bodies; it also co-operated with ICRC and other governmental, non-governmental and volunteer organizations in order to bring the quickest and most effective help possible to victims of disasters and man-made situations such as armed conflicts.

74. The Twenty-fourth International Red Cross Conference, held at Manila in November 1981, had adopted a policy which stressed the Red Cross role in assisting refugees; under an agreement signed a few days before with UNHCR, the League would work as the operational partner in a \$20 million programme to assist groups of refugees to return to their homeland.

75. The League had noted with satisfaction General Assembly resolution 36/225 concerning complex emergency situations and was pleased to have been associated with ACC in its endeavour to draft guidelines to strengthen the capacity of the United Nations system to respond to such situations. The guidelines recognized the role of non-governmental organizations, particularly the International Red Cross, in consultation and co-ordination and noted that in certain circumstances operational responsibility might have to be assumed by or shared with such organizations outside the United Nations system.

76. There was obviously a close connection between development and disaster preparedness and relief. Development was involved in many aspects, such as first-aid training, nursing, mother and child care, family health care and assistance to the disabled and the aged. The League had taken an active part—both by resolutions and by positive action in many developing countries—in the International Year of the Child and the International Year of Disabled Persons, and it would also participate in the World Assembly on Aging, taking into account the activities of many international member societies.

77. Red Cross Youth played an increasing role throughout the world, and the League's governing bodies

had already endorsed Red Cross involvement in the International Youth Year.

78. In all its activities, the International Red Cross movement worked in close co-operation with the United Nations and its specialized agencies in the fields of economic and social development and, at its recent International Conference, had unanimously endorsed a Red Cross development strategy for the 1980s which would lead to even closer co-operation. The national Red Cross and Red Crescent societies would continue to expand their activities, with the help of millions of volunteers throughout the world.

79. Mr. MARTINEZ (Argentina), speaking in exercise of the right of reply, said that his delegation had been surprised to hear the United Kingdom representative, in the exercise of the right of reply, make an open defence of colonialism in the Council, claiming that his country's colonialist aggression on a piece of American territory had been based on self-defence and the self-determination of peoples.

80. The Malvinas Islands had always been Argentine territory, as had been recognized by the Latin American community and the non-aligned movement. The existence of a conflict over sovereignty had been recognized in General Assembly resolutions 2065 (XX), 3160 (XXVIII) and 31/49, which had acknowledged Argentina's efforts to promote a peaceful solution and the well-being of the islands' inhabitants. In contrast to that attitude was the United Kingdom's hostile stand in removing workers who were fulfilling a legitimate contract in South Georgia. The United Kingdom had distorted the text of Security Council resolution 502 (1982), had applied sanctions against Argentina and had dispatched the biggest fleet to have sailed since the Second World War, armed with nuclear weapons, according to press information not denied by the United Kingdom Government—a bellicose act committed against a developing country in order to restore colonial conditions.

81. That the United Kingdom had acted in bad faith in the dispute was shown by its veto of a cease-fire draft resolution supported by a majority in the Security Council. The United Kingdom had sought nothing other than a military victory over a developing country weaker than itself, by adopting its long-established tactics of brutally punishing any effort to combat colonialism.

82. The United Kingdom's claim to uphold the right to self-determination was even more preposterous; the sufferings caused by the struggles against its colonial rule could be remembered by many members of the Council. The United Kingdom had not voted in favour of General Assembly resolution 1514 (XV) and had said that the right to self-determination, referred to in paragraph 2 of that resolution, was a principle, not a right, and should not be included in the text. It had also voted against General Assembly resolution 2621 (XXV), which declared colonialism a crime constituting a violation of the Charter of the United Nations. It was absurd that a country which had belittled the right to self-determination when General Assembly resolution 1514

(XV) had been adopted should invoke that right in defence of a colonial situation.

83. Mr. BOYD (United Kingdom), speaking in exercise of the right of reply, said that the events in question had already been thoroughly discussed in a more appropriate forum. However, his delegation could not let pass the Argentine representative's inapposite use of the term "colonialism"; the forcing of an alien and unwanted presence on a peaceful community was itself an act of colonialism.

84. The events in question were well known: an act of

aggression had been committed—not by the United Kingdom; a call for restraint had been ignored by Argentina; the United Kingdom Government had embarked on a protracted attempt to resolve the difficulties peacefully, which had failed through no fault of its own; it had made a response to the situation which was justified by the facts, predictable and fully consistent with the purposes of the Charter of the United Nations. The Argentine representative's version of the events was thus unacceptable.

The meeting rose at 5.45 p.m.

37th meeting

Tuesday, 13 July 1982, at 10.45 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.37

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)

1. Mr. VENKATESWARAN (India) said that the international economic crisis was worsening from day to day and was reacting on all countries, particularly those of the third world. As in the 1930s, with which the Secretary-General of the United Nations had drawn a parallel, the crisis coincided with an escalation in international tension. The arms race continued unabated and absorbed valuable resources that ought to be used for development. The international community could not contemplate the dangerous turn of events with equanimity and, irrespective of their ideology, nations had an obligation to work together to revive the world economy. It was encouraging to see that virtually all were aware of the gravity of the present crisis and determined to overcome it. The Council should assign the highest priority to the question, and the *World Economic Survey 1981-1982*, the report of the Committee for Development Planning and the opening statement by the Secretary-General (30th meeting) would be of great assistance in its deliberations.

2. In his statement, the Secretary-General had drawn the Council's attention to the gravity of the problems besetting the countries of the third world and, in particular, to the way in which their economic and social development efforts were impeded by external factors. The economic crisis had seriously disrupted their balance of payments and had forced them to undertake adjustments which had further slowed down their growth. *Per capita* income in the developing countries showed a real decline for the first time since the late 1950s. According to

the authors of the *World Economic Survey 1981-1982*, the situation was particularly unfavourable for energy-importing countries. Oil-importing developing countries were among those whose current balance of payments was expected to show an overall deficit of about \$100 billion in the years 1982-1983, compared with \$39 billion in 1978. Those countries were finding it more and more difficult to service their debts because of the sharp increase in interest rates. Interest payments were estimated to represent more than 8 per cent of the value of their exports and about 41 per cent of their forecast deficit for 1982. Concessional assistance was fast diminishing and even well-established institutions such as IDA were experiencing serious difficulties. The efforts of developing countries to increase their export earnings were being frustrated by the proliferation of protectionist policies and new forms of non-tariff trade barriers, as well as by a sharp deterioration in their terms of trade.

3. Perhaps more serious still had been the recent attempts to erode the multilateral framework of economic co-operation, the very system through which the existing problems could best be tackled. The trend ran counter to the objectives laid down in the International Development Strategy for the Third United Nations Development Decade and in many other documents and declarations. Bilateral co-operation was certainly useful, but it should not impede multilateral co-operation. It appeared that countries were resorting increasingly to unilateral measures to solve their domestic problems, frequently at the expense of the economies of the developing countries.

4. The countries of the third world were not the only ones to feel the impact of the world economic crisis. The industrialized countries, which were to some extent responsible for it, were also feeling its consequences, such as unemployment, recession and slow-down in growth.

As had already been said, all countries must take part in rectifying the situation. The strategy for such a revival called first and foremost for the rapid economic development and industrialization of the developing countries, since only through such a process could they contribute in their turn to revitalizing the industry and economy of the developed countries.

5. It was in that conviction that India was actively endeavouring to strengthen the bonds of multilateral co-operation. On the initiative of the Prime Minister of India, an informal meeting of some developing countries had been convened at New Delhi in February 1982 to take stock of the situation and explore ways and means of giving fresh impetus to international co-operation. The participants had reached the conclusion that global negotiations should be launched as a matter of urgency, concurrently with measures in areas of critical importance for developing countries, such as those of food, energy, finance and trade. At the Ministerial Meeting of the Co-ordinating Bureau of the Non-Aligned Countries, held at Havana in 1982, the ministers of the non-aligned countries had recommended concurrent action in all those areas. It was heartening to note that the participants at the Versailles summit meeting had not only made progress on the issue of global negotiations but had also indicated their readiness to take specific action in the areas of food, energy, finance and trade. It was to be hoped that the intentions expressed by the international community would lead to action and that the goodwill shown at Versailles, together with the flexibility shown by the Group of 77, would make it possible to launch global negotiations at an early date. The statements made in the Council by the representatives of several industrialized countries were extremely encouraging.

6. There was already a broad consensus on the major problems arising at the present time and on possible solutions. For instance, there was agreement on the need to devise a strategy to increase food production in developing countries. That was a sector in which considerable scope existed for co-operation among developing countries. Governments, competent United Nations agencies, international financial institutions and other interested financial bodies should be able to initiate collective action in that area. FAO might perhaps explore such a possibility.

7. Oil-importing developing countries could be helped to explore and exploit their own energy sources, mainly through regional co-operation agreements. Short-term arrangements to provide additional financial and technical resources were essential. At the Havana meeting he had referred to, the ministers of the non-aligned countries had requested the World Bank to increase substantially the level of its lending in the energy sector, rather than merely to re-allocate its resources, which were in any case limited. The establishment of an energy affiliate attached to the World Bank was of overriding importance at the present time. Participants in the meeting of the Joint Ministerial Committee of the Boards of Governors of the World Bank and IMF, held at Helsinki in May 1982, had made a specific recommendation along those lines to the

Executive Directors of the Bank, and his country would like to know whether the Bank had taken action on it.

8. A considerable increase in official development assistance was urgently needed. Some industrialized countries had reduced the volume of their aid, a course which ran counter to the recommendations of the International Development Strategy. Fortunately, others were granting aid corresponding to a high proportion of their GNP, or were endeavouring to do so, in particular the Soviet Union, whose assistance to developing countries had been 1.3 per cent of GNP in 1980, compared to 0.9 per cent in 1976. Equally welcome was the decision taken by certain donors to release their full contribution to the second instalment of the sixth replenishment of the resources of IDA. That agency, however, was facing a serious deficit which did not augur well for the future, and it was to be hoped that the consensus that had emerged at the Versailles summit meeting on the need to assist IDA would soon produce tangible results. His delegation shared the views expressed by the ministers of the developing countries at the meeting of the Group of 24 held at Helsinki in May 1982 on the subject of the disturbing trends in World Bank and IMF policy and of the steps required to ensure a better response of those agencies to the needs of the developing countries in respect of lending, in such a way as to eliminate the making of distinctions which were no longer appropriate.

9. The sixth session of the United Nations Conference on Trade and Development and the ministerial meeting of GATT to be held in November 1982 were of the greatest importance. The great majority of developing countries were being squeezed by rising energy prices, inflated interest rates, inflation in developed countries and increasing protectionism in those countries. The GATT ministerial meeting might not contribute much to the solution of those problems, but it could surely help to improve discipline—and confidence—in the world trading system. Priority should be given to evolving an consequently objective, effective and “transparent” safeguards system working under multilateral surveillance. The meeting should also guarantee to the developing countries that the rules of GATT, which had so often been infringed by developed countries in recent years, would be respected. It was vital to place emphasis on growth, in order to revive the world economy and that could only be done if the industrialized countries abandoned their restrictive trade practices.

10. It had long been recognized that economic co-operation among developing countries could be of great value in helping them to attain individual and collective self-reliance. The resolution on policy guidelines on the reinforcement of collective self-reliance among developing countries, adopted by the Sixth Conference of Heads of State or Government of Non-Aligned Countries, held at Havana in 1979, was a major landmark. Several meetings and conferences had brought about an evolution in economic and technical co-operation among developing countries. Much remained to be done to ensure the implementation of the various decisions and recom-

recommendations adopted by the developing countries and to establish co-operation among those countries on a durable basis. Whenever possible, India had shared its surplus food production with other developing countries, increased its scientific and technological co-operation with such countries and established a preferential investment policy for developing countries with surplus capital. It was also striving to promote the success of such arrangements as the global system of trade preferences among developing countries. India recognized, however, that co-operation among developing countries was not enough and that co-operation must also be promoted between developed and developing countries, one reinforcing the other. Economic co-operation among developing countries could make a significant contribution to world economic recovery and should therefore receive the support of the United Nations agencies. That had not always been the case, because of the opposition of some developed countries.

11. In conclusion, he said that the Council should synthesize the important suggestions made by representatives and devise a strategy for the revival of the world economy. If it succeeded, it would not need any artificial stimuli for its revitalization, for it would have demonstrated its dynamism and made a decisive contribution to the restoration of the health of the world economy.

12. Mr. POPOV (Bulgaria) said that 1981 had been a critical year for international economic relations. The worsening of international tension impeded the work of the United Nations system and particularly that of the Economic and Social Council as the central organ for international economic and social questions. Obviously, if co-operation was to be promoted in the social, technological and economic fields, and between countries with different economic and social systems, it was vital to ensure international peace and security, in particular by adopting firm disarmament measures. The socialist countries were striving to do so; at the twelfth special session of the General Assembly (second special session devoted to disarmament), the Soviet Union had undertaken never to be the first to use nuclear weapons. Bulgaria applauded that initiative.

13. For two years, the capitalist Western countries had been experiencing an economic crisis marked by stagnation, inflation, monetary fluctuations and increased energy prices. In the OECD countries, there had been over 23 million unemployed in 1981 and it was expected that there would be 3 million more in 1982. The efforts made to control inflation had not produced the results expected, mainly because of the increase in military expenditure, which had amounted to \$282 billion.

14. The factors which were producing the crisis in the Western countries had gradually spread to the developing countries, where the slow-down in industrial growth had been more noticeable still and where inflation had also reached unprecedented levels. Those countries had remained economically dependent on their former parent State or on the large monopolies. The increasingly formidable difficulties connected with the search for

markets and the increase in protectionism had been felt by all countries engaged in world trade and had led to serious disruptions in balances of trade and balances of payments.

15. The difficulties encountered by developing countries in the past year were due to a great extent to the activities of the transnational corporations. As had been noted at the Second Congress of Economists of Developing Countries, held at Havana in April 1981, the corporations, controlling as they did 50 to 95 per cent of the world trade in primary commodities and finished goods, were in a position to channel substantial resources away from the developing countries, thus endangering their economic development plans.

16. During the past year, various United Nations organs had considered the question of the restructuring of international economic relations on a democratic and equitable basis. Bulgaria considered that some recent documents, such as the Declaration on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the International Development Strategy for the Third United Nations Development Decade, embodied a large number of principles on which the restructuring should be based. Time was passing, however, there were meetings and consultations in succession, and progress was almost non-existent. His delegation endorsed the procedures and agenda proposed by the developing countries for the holding of global negotiations.

17. During the past year, Bulgaria had continued to take part in the efforts directed towards integration and the international division of labour in the context of CMEA.

18. The Western countries had recently been seeking to create further difficulties for the socialist countries. In particular, the United States of America had imposed restrictions on trade with the socialist countries, and the recent Versailles Declaration clearly revealed the capitalist countries' desire to tighten up the conditions in respect of trade and credit granted to the socialist countries. In 1981, the CMEA countries had granted economic and technical assistance to 92 developing countries, in order to help to strengthen their economies, to promote the utilization of their natural resources and to train experts from those countries. They had also been active in multilateral co-operation with the developing countries.

19. The past year had been the first year of Bulgaria's eighth Five-year Plan and it had made a good start. Increased productivity had led to an increase in national income and the implementation of scientific and technological progress had made it possible to reach the targets set by the Plan in the agricultural, industrial and scientific spheres.

20. Bulgaria had expanded its trade relations with the developing countries, but had also developed with them, on an equal footing, economic co-operation, the volume of which was in line with its economic potential and whose forms were adapted to its social system. Such co-operation had produced tangible results in almost all fields, including the building of installations, the transfer

of technology, training, and the collaboration of Bulgarian experts. Bulgaria also paid considerable attention to East-West economic co-operation, between countries with different social and economic systems. In May 1982, it had taken part in a symposium on economic co-operation between East and West, which had been attended by important political figures, representatives of business circles and of international organizations, and the Executive Secretary of ECE.

21. Among the numerous items on the agenda for the Council's current session, Bulgaria attached special importance to the revitalization of the Economic and Social Council, regional co-operation, and operational activities. It hoped that the session would be instrumental in improving the preparations for the thirty-seventh session of the United Nations General Assembly, so that it might be able to adopt constructive and useful resolutions.

22. Mr. DATCU (Romania) said that his country shared the concern expressed in the Council about the worsening of the world economic situation and joined in the appeals which had been made for dialogue, collective action and the strengthening of the United Nations system. There was no denying the fact that the current crisis, the worst the world had known since the end of the Second World War, was of a structural nature. All sectors of the world economic system were in total disarray. Prevailing uncertainty was increasing as a result of restrictive trade and monetary policies, inflation, the financial crisis and the arms race.

23. The developing countries were the ones most affected by the current situation. According to the *World Economic Survey 1981-1982*, there had been a catastrophic fall in *per capita* real income in those countries and the outlook was by no means bright.

24. As a result of the crisis, there had been an increase in unilateral measures and bilateral approaches, and an even more definite tendency to deal with problems in a restricted framework, outside the multilateral machinery offered by the United Nations. The unprecedented rise in interest rates, as well as exchange rate policies, had been making the problems worse. It was therefore obvious that the system could no longer safeguard either the interests of the developing countries or those of the developed countries and that far-reaching changes now had to be made in the structure and machinery of international economic relations on the basis of new, democratic principles.

25. Accordingly, the most urgent task facing the United Nations, and in particular the Council, was that of halting and reversing existing trends. The problems of the world economy could be overcome only by strengthening international co-operation. In every country in which problems existed, solutions must be sought in a spirit of mutual respect and co-operation.

26. In his delegation's opinion, international action should be based on a number of basic principles, the first being the need to establish new relationships in a restructured world economy, in other words, to establish a new international economic order.

27. The second principle was the need for rapid and concerted international action to deal with the most pressing global problems: the more delay there was in seeking solutions, the worse would the global crises, tension and confrontations become and the more difficult it would be to solve the problems. Unfortunately, international economic dialogue was still deadlocked. His delegation therefore joined in the appeal to all States to display the necessary political will and flexibility so that global negotiations based on the proposals of the Group of 77 could start without delay. Such global negotiations should be especially designed to establish an equitable international division of labour and to promote economic activity in the developing countries; they should also cover specific issues, such as energy, the foreign debt of the developing countries, the reform of the international monetary system, access to capital markets and to modern technologies, and the establishment of an equitable ratio between the prices of raw materials, energy, foodstuffs and industrial commodities. Since the worsening of the developing countries' situation was, moreover, largely due to the high interest rates attached to international credits, those interest rates had to be brought down to a level comparable to that prevailing before 1978. Since that question formed part of the new trends and phenomena which the Secretariat had not yet studied in detail, his delegation suggested that the Department of International Economic and Social Affairs should deal with it in a separate section of its next world economic survey. International credit should be a tool for economic co-operation, stability and the economic and social development of all countries.

28. The third principle on which international action should be based was that of the need to create a close link between economic development and the social development and well-being of nations. His country attached particular importance to the theoretical and practical training of national cadres, in particular, of young people, and had taken note with interest of the concern expressed in that connection by the Director-General of the International Labour Office (36th meeting) International Youth Year, which was planned for 1985, would be a good opportunity to make world public opinion aware of the problems now confronting the younger generation and to involve young people more closely in discussions relating to the contemporary world's major problems and in the solutions thereto.

29. The fourth principle was the need to strengthen the effectiveness of the United Nations system and machinery by focusing them more sharply on practical goals. Concerted action by all United Nations organs—which it was the Council's purpose to ensure—would make it possible to break the current deadlock and channel the negotiations in abeyance towards effective agreements, particularly on trade, industrialization, science and technology, food and agriculture and new and renewable sources of energy. In international trade, it was above all necessary to combat protectionist trends, promote structural adjustments to improve the access of developing countries to markets in the developed countries, assure the developing countries of adequate financial

resources and promote the international transfer of technology. His delegation hoped that the sixth session of the United Nations Conference on Trade and Development would lead to effective solutions.

30. Although the major international meetings organized by the United Nations in recent years had made it possible to assess problems and identify areas in which broader international co-operation could be secured, little progress had been made in the implementation of the recommendations and plans of action adopted at those meetings. More intensive efforts must be made to mobilize the financial resources and machinery required to give effect to those plans of action and solve pending problems. It was from that point of view that the revitalization of the Council should be seen, for it should become a kind of workshop for ideas and initiatives and be able to meet more effectively the need for international co-operation in new areas of general interest.

31. His country was of the opinion that the developing countries had been right to request increased financial and technical assistance from the developed countries. It was for that purpose that the funds made available by the reduction of military budgets should be used. Military expenditure merely aggravated the world crisis and was a major obstacle to the elimination of underdevelopment and the establishment of a new international economic order.

32. The problems to be solved were, of course, enormous and the solutions that had been proposed differed widely. Those adopted should, in any event, be based on observance of the principles of equal rights, independence and national sovereignty, non-interference in others' internal affairs and mutual advantage. If the political will to **work together** really did exist, it would be possible to find **acceptable** solutions to the problems that affected all countries. Romania, for its part, was determined to make its own contribution to collective action.

33. Mr. DE LAROSIERE (Managing Director, International Monetary Fund) said that IMF could help industrialized and developing countries alike to adopt mutually compatible adjustment policies that would be conducive to the global adjustment made necessary by the world recession.

34. Referring to the situation of the non-oil-producing developing countries, he pointed out that, for the great majority of developing countries that were net importers of oil, real economic growth in 1981 had been less than 2 per cent, thus falling behind the rate of those countries' population growth for the first time in several decades. On the price front, the combined effect of inflationary pressures throughout the world economy and expansionary financial policies in many developing countries had produced a sharp acceleration of inflation. Those were quite the wrong domestic conditions for a strong recovery of growth; yet it had been in the area of external payments and financing that the deterioration in the position of the non-oil-producing developing countries had been most dramatic in the past few years. The combined current-account deficit of those countries had reached \$100 billion

in 1981, an increase of \$60 billion over the 1978 level, and the bulk of that increase could be accounted for by the surge in oil prices and the rise in interest rates on world capital markets. However, despite very limited market growth in the industrialized countries during that period, the volume of the exports of the oil-importing developing countries had risen by almost 18 per cent between 1979 and 1981, reflecting their success in developing new markets. During the same period, the volume of imports of the oil-importing developing countries had risen by little more than 11 per cent and had actually fallen in the case of the low-income sub-group of countries. Despite the adjustment efforts that had been made, the deficits of many developing countries were still much too high to be sustained in terms of their debt-service capacity. In 1982, half the oil-importing developing countries were expected to have a current-account deficit in excess of 40 per cent of their export earnings.

35. The obvious conclusion was that the developing countries as a whole must adopt strong economic adjustment policies, even if their problems were largely due to external shocks and influences beyond their control. The facts showed that, all too often, policies, and in particular financial policies, had been unduly lax, thus compounding the problems arising externally. For example, half the non-oil-producing developing countries had had budget deficits of 6 per cent or more of GDP in 1981, about double the level of the average deficit in the mid-1970s. The Fund was only too well aware of what happened when a country failed to adopt the necessary corrective measures in time: inflation undermined the competitiveness of the economy and weakened the export sector; external debt built up and confidence was lost; the authorities were then tempted to clamp down on imports, impose controls on capital outflows and control prices. Over time, however, the erosion of incentives for producers, savers and investors and the fact that real interest rates were negative and profit margins narrow would hardly promote growth and development. That was a highly unfavourable situation, since it disrupted the international financial system. What was needed to avoid it was the timely adoption of policies designed to promote more rational adjustment, particularly by diverting resources from consumption to investment and exports.

36. With a view to sound demand management, most developing countries needed to set themselves the task of reducing their budget deficits and ensuring more moderate rates of monetary expansion. In many cases, they also had to try to improve economic efficiency and strengthen their productive base. The main elements in that process would be the setting of exchange rates and prices in such a way as to ensure adequate incentives for exporters and producers; the adjustment of interest rate policies with the aim of mobilizing domestic savings and allocating scarce investment funds efficiently; the liberalization of exchange and trade policies so as to minimize economic distortions and stimulate competition; and the limitation of the growth of incomes, particularly in the public sector. Such policies had proved to be highly

successful in restoring external balance in a number of developing countries.

37. While the developing countries themselves would bear the brunt of the required adjustment, the policies of the industrialized countries were of vital importance for bringing about a general recovery. Fundamentally, the best contribution those countries could make would be to put an end to stagflation in their own economies and set the world economy on a new course towards sustainable growth. Three aspects of the economic policy of the industrialized countries were of particular importance.

38. Firstly, a number of industrialized countries must strike a better balance between monetary and fiscal policy in their efforts to control inflation. Most of those countries had already shifted towards monetary restraint, but all too often their budget deficits had remained excessive and their financing had been pre-empting an excessive share of available financial resources, thus driving up interest rates and crowding out productive investment. In that regard, the present situation in the United States of America had particularly important implications for other countries. Moreover, in 1981, the rate of interest in the Euro-capital markets had averaged more than 16.5 per cent, nearly 8 percentage points above its 1978 level; yet, for every 1 per cent increase in world interest rates, some \$2 billion was added to the developing countries' debt-service costs. If the major industrialized countries reduced their budget deficits, they would be in a position to maintain their policies of monetary restraint, while allowing interest rates to decline to more reasonable levels.

39. Secondly, the industrialized countries must follow liberal and open trading policies. With continuing recession and rising unemployment, protectionist pressures and trade friction had been increasing. Protectionism in all its forms must be resisted, because it bred inefficiency, invited retaliation and retarded the structural changes upon which economic growth and high employment ultimately depended. Moreover, the industrialized countries stood to benefit by exploiting the enormous further potential for expanded trade with the developing world.

40. Finally, those countries must increase their development assistance. In recent years, the official development assistance provided by the industrialized countries had averaged less than half the 0.7 per cent of GNP target set more than 10 years earlier. In present conditions, an increase in concessional aid was more than ever a necessity, particularly for the poorest countries.

41. In view of the gravity of the economic problems facing the majority of developing countries, IMF had a crucial role to play, not as a provider of development finance—for that was outside the scope of its functions—but as a monetary institution helping to promote economic adjustment in its member countries and throughout the world. In that endeavour, two aspects of the Fund's work, namely, surveillance and balance-of-payments financing, were particularly important.

42. Surveillance by the Fund of the exchange-rate policies of its member countries was one of its main

functions. In the troubled state of the world economy today, the Fund's efforts to achieve a closer convergence in the policies of its member countries, and in particular those of the larger industrialized countries, were of special importance. The Fund would therefore continue to urge the major industrialized countries to ensure a better mix of their fiscal and monetary policies. It took encouragement from the fact that, at the recent summit meeting held at Versailles, the leaders of the seven major industrialized countries had committed their full support to the Fund's efforts to promote greater stability in the world monetary system. They had also undertaken a commitment to strengthen their co-operation with the Fund in its surveillance work and to do so on a multilateral basis. It now lay with those countries to translate their commitments into action.

43. Since the balance-of-payments deficits of the member countries of the Fund had reached unprecedented levels after 1979, the Fund's lending capacity had had to be strengthened by increasing its financial resources, mainly by borrowing, and by enlarging access to those resources by member countries. Those steps had enabled the Fund to increase its loans to member countries substantially but it had yet to establish its capital resources on a base which would enable it to confront the uncertainties of the 1980s; that was precisely the purpose of the discussions which were already under way for the eighth general review of quotas and should be completed by the end of 1983.

44. The bulk of the Fund's lending in recent years had taken the form of commitments in support of adjustment programmes. Since the beginning of 1980, almost four fifths of Fund commitments—some SDR 20 billion—had been extended to 43 member countries in the form of arrangements involving high conditionality. That was a central feature of Fund loans, its purpose being to ensure that the Fund's financial assistance was used to support economic policies designed to produce a viable balance-of-payments position within a reasonable time. The policy instruments used were designed in the light of the institutional setting and organization of the country concerned and in accordance with its economic and social priorities, which the Fund made it a rule to respect. The perception by some that the Fund's conditionality had been tightened did not derive from any change in the Fund's policies; rather, it reflected the need for more stringent national policies to correct larger deficits.

45. The Fund had extended its terms and could now lend for up to 10 years within the framework of extended arrangements. The structural difficulties that the developing countries faced could not, however, be solved by an uncontrolled expansion of the Fund's lending facilities. To maintain the integrity of conditionality was essential if the Fund was to act as a spearhead for the efforts of countries to adopt realistic adjustment policies and thus improve their economic performance and gain access to other external sources of capital. In order to help member countries to solve the structural problems they faced, the Fund had been placing emphasis not only on demand management but also on measures to strengthen the

economies concerned. Although it had not moved into the field of development policies, it had been seeking to ensure that its programmes were in keeping with sound investment and production strategies and thus with the longer-term structural adjustments needed in many member countries. To that end, the Fund would continue to co-operate closely with the World Bank.

46. The adjustments which he had described would be tolerable only if they were implemented in a climate of world solidarity. It was therefore vital for the international organizations represented in the Council to be strengthened. Negotiations were already in progress for an increase in the Fund's quotas. The success of those negotiations and the agreement to which they would lead would be a decisive element and, at the same time, a test of the will for international co-operation, which the world now needed more than ever.

47. Mr. VAN WELL (Federal Republic of Germany) said that he fully endorsed the statement made by the representative of Denmark on behalf of the 10 member States of the European Economic Community (31st meeting). He shared the view that it was urgently necessary to close the gap between the poverty of many developing countries and the relative well-being of many industrialized countries. Because of the increasing interdependence of the countries of the North and the South, the dialogue had to be carried on more intensively than it had been up to the present. For that purpose, it was necessary not only to continue and to intensify the current negotiating processes but also to start global negotiations as soon as possible.

48. His Government attached high priority to global negotiations. As the General Assembly had emphasized in its resolution 34/138, global negotiations were aimed at ensuring steady economic development; thus, global economic growth and the success of the North-South dialogue could not be considered separately. It was well known that the results of the dialogue were vital for both the developed and the developing countries. In the North-South dialogue, the consideration of the points of view, possibilities and limits of each constituted the first step towards the solution of many problems. The developing countries would perhaps conclude that their efforts to develop and modernize their economies required a more comprehensive conceptual framework, while the industrialized countries, for their part, would perhaps recognize that in order truly to incorporate the developing countries in the world economy, they themselves should adopt a policy of positive adjustment. The North-South dialogue should not be conceived of as a one-way street. Progress depended on the willingness of everyone to agree on a common denominator, in the interest of all. For that purpose, it was necessary to avoid group confrontation and to put an end to ideological intransigence and to any "crusade" mentality.

49. The dominant topic at the Versailles summit meeting had been the state of the world economy. The participating Governments had agreed that a further reduction in inflation, higher levels of employment and a return to steady growth should remain the main

objectives of their individual and joint efforts. His Government considered that growth and employment would be attained on a durable basis only if the fight against inflation was successful. That had not been the case during the 1970s and at the beginning of the 1980s, which explained the accumulation of structural problems, the slowing down of economic growth and the increase in unemployment.

50. In all oil-importing countries, the first oil shock had led to additional burdens on their balance of payments and budgets and increased costs and expenditures for energy by businesses and households. The rapid changes in oil prices had encouraged inflationary tendencies and had made it more difficult to adjust to the new situation. That first increase in the price of oil had affected the industrialized countries more or less severely; for example, Japan and the Federal Republic of Germany had been better equipped to absorb its negative effects. Subsequently, those two countries had come under considerable pressure to act as "locomotives" to pull other countries out of stagnation and inflation by a more expansive policy of the Keynesian type. They had reluctantly yielded to that pressure, but today it was obvious that that had not been the best approach, either for the countries in question or for the world economy, because it had led to the solving of many structural and adjustment problems being postponed.

51. In 1979/80, the world economy had suffered a second oil shock. Under the effects of that shock, many countries had found themselves in an even worse economic and social condition than after the first crisis and it had been seen that Keynesian solutions were unsuitable. In his opening statement, the Secretary-General of the United Nations had stressed the difficulty of reviving expansion without triggering inflation. His position on that crucial question seemed to be parallel with that of the Federal Republic of Germany.

52. Almost all countries were confronted with the same dilemma: the need to fight inflation and unemployment at the same time. In order to overcome that dilemma, it would first be necessary to carry out structural adjustments. The most important thing at the present time, therefore, was to mobilize both public and private investment. An inflationary budget policy would worsen the recession and unemployment and put a brake on investment activity. On the other hand, the expansion of public demand would at best provide only a temporary relief. The remedies necessary to relieve highly developed economies were not so simple or so quick and mistakes which had been made over many years could not be corrected in a few weeks or months. He would draw attention to a few points which, in his opinion, were important.

53. First of all, all efforts to overcome the present difficulties must start at home. Consequently, they should be adapted to the specific situation of each country. It was impossible, however, to ignore the effects which the national policies of each country might have on the rest of the world, for there was hardly any country today which could act in isolation. For that reason, it was necessary to

avoid protectionism, devaluation races, monetary restrictions and interference with the flow of private capital. In other words, there should be no blocking of established trade and financial patterns, for the success of each country's efforts to cope with its economic problems would ultimately depend on the smooth functioning of international trade and financial transactions.

54. Because of the size of the economy of the United States of America, the policy of that country's Government and the macro-economic development of the United States were strongly affecting other countries. It was therefore to be hoped that that Government's determined struggle against inflation would prove successful. There were some positive signs, such as the slowing down of price increase rates, which should help to bring down interest rates. The reduction of interest rates was also one of the objectives which had been set by the heads of State at the Versailles summit meeting. Moreover, aware of the fact that world trade expansion was both a necessary element for growth and a consequence of that growth, they had reaffirmed their commitment to strengthening the multilateral trading system as embodied in GATT. In the present difficult situation of the world economy, it was extremely important that all countries should resist protectionist pressures and trade-distorting practices. It was necessary to complete what had been begun at Tokyo and improve the capacity of GATT to solve present and future trade problems. The industrialized countries should also open their markets more widely to exports from developing countries. His Government would participate fully in the forthcoming GATT ministerial meeting and hoped that it would result in concrete measures.

55. The provisional agenda for the sixth session of the United Nations Conference on Trade and Development had been adopted. Although it was regrettable that the decision had not been taken by consensus, it was nevertheless a first step towards preparing that important Conference, which would constitute a vital phase in the North-South dialogue.

56. His country's trade with the developing countries had become more important during the 1970s and the early 1980s. In 1981, almost one fifth of the Federal Republic's imports had come from third-world countries and more than one sixth of its exports had gone to those countries. Imports by the Federal Republic of Germany from non-oil-producing developing countries had increased during the past year and during the first half of the current year, despite the stagnation of his country's economy, and it was obvious that the chance of seeing those imports increase would depend on how soon his country could return to a normal overall growth rate.

57. Whatever happened, there must be no trade war, whether in East-West or North-South relations or in the triangular relationship between Japan, the United States of America and the European Economic Community. Above all, the developed countries had to demonstrate that the liberal trade system served the interests of all. They had to take the lead in developing the free exchange of goods and services.

58. Furthermore, IMF as the central monetary policy institution must not be weakened. Only a strong IMF could help all the countries in need to overcome their short-term balance-of-payments problems. Development assistance must remain a function of the World Bank group and of the regional development banks. Everything should be avoided which might reduce the attractiveness of those institutions and the flow of funds to them. His country was prepared to continue its multilateral co-operation, which had increased in recent years. It would also endeavour, in collaboration with the World Bank group and of the regional development banks. Everything should be avoided which might reduce the attractiveness of those institutions and the flow of funds to them. His country was prepared to continue its multilateral co-operation, which had increased in recent years. It would also endeavour, in collaboration with the World Bank group, to find solutions which would enable those multilateral financial institutions to perform their task.

59. As the participants in the Versailles summit meeting had emphasized, the world economy needed greater stability for its foreign exchange and financial markets. It was therefore to be hoped that the arrangements agreed upon at Versailles would result in less erratic fluctuations of exchange rates and in greater security on the Euro-markets. Those decisions, of course, must not lead to market regulation running counter to the established European monetary system, which fulfilled an important regional function.

60. There was no doubt that the present world economic difficulties were also affecting international commodity markets and prices. The instability of export earnings was placing a heavy burden on the economies of many commodity-producing developing countries. His country was therefore prepared to support efforts to stabilize the earnings of exports from developing countries through a scheme specifically devised for that purpose.

61. Development aid remained indispensable and should be further increased. The revival of the world economy and the resumption of growth depended on the participation of all countries. Development was important for all countries, whether developed or developing. An increase in official development assistance therefore also benefited the donor countries. In many cases, such assistance stimulated contributions of private capital. It should be noted that the participation of the Soviet Union and CMEA in that respect was quite insufficient. The statement made by the representative of the Soviet Union at the 35th meeting had revealed a completely biased view of the real problems of the world economy; consequently, the recommendations which he had made for their solution seemed quite irrelevant. All the figures denied the pretentious claim of the Soviet delegation that there was a natural alliance between the communist States and the developing countries.

62. In 1981, the Federal Republic of Germany had been able to increase its official development assistance by 11.1 per cent. Private capital flows, however, had already begun to decline; they had decreased by DM 2.2 billion in 1981. That figure did not include transfers made by

private organizations. Taken together, private and public transfers to developing countries had amounted to DM 18.3 billion in 1981. That sum represented 1.18 per cent of GNP, a level well above the 1 per cent target recommended by the United Nations. A stagnant or shrinking world economy could not produce the resources which it was hoped to transfer; it was therefore in the interests of all countries, both developing and developed, to overcome the present recession.

63. In the preceding year, his delegation had emphasized the importance of sound policies in the areas of food, energy, money and finance. In the matter of food, his Government was furnishing aid in Latin America, for example, and, together with its partners in the European Economic Community, was helping to assist the food-deficit countries in Africa to shape and implement food strategies.

64. He wished to emphasize the importance which his Government attached to the implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. It welcomed the fact that the Interim Committee on New and Renewable Sources of Energy, which had recently met at Rome, had paved the way for a realistic and concrete approach to bilateral and multilateral co-operation with the developing countries in the field of new and renewable sources of energy.

65. One of the most difficult problems facing the third world was that of the population explosion. The world population would increase from 4.5 billion inhabitants in 1980 to approximately 6.8 billion by the year 2000, and 90 per cent of that increase would occur in the third world. The effects of that population growth on the third world would be manifold; food problems, balance-of-payments deficits and unemployment would all increase. During the past 25 years, the working population of the developing countries had doubled and by the year 2000 it would be impossible to find employment for everybody. Moreover, the capital expenditure needed for establishing an adequate social infrastructure would become increasingly heavy.

66. Among the reasons for the population growth in developing countries, special mention should be made of the substantial surpluses of births over deaths, a fact that was attributable to social, cultural and economic factors. For example, large families were still considered to be a form of social security. It was therefore necessary first of all to make a lasting improvement in the living conditions of the individual, so that he could be protected against sickness and old age and become less dependent financially on his children. Education could also play an

important part in creating conditions for social development in which the number of children would no longer be of great economic importance for the individual family. In that context, it was extremely important to improve the social and economic situation of women and to enable them, through education, to practise contraception.

67. According to some demographic experts, there was a relationship between the intensity of the contacts which countries of the third world might have with more advanced societies and the reduction of the birth rate. It was therefore essential, in order to speed up the so-called demographic transition period, that such contacts should be encouraged and, in particular, that communication networks of all kinds should be expanded and used to change the cultural signals affecting parents in developing countries.

68. Another important aspect of any structural policy designed to deal with the critical development of the world economy was investment in what was called human capital. At the present time, about 25 per cent of the population of the developing countries was of school age. In the years to come, therefore, those countries would be compelled to invest heavily in education, and later on an increasing proportion of their investments would have to be devoted to creating productive employment. In the area of investment in human capital, however, private initiative was not normally sufficient. It was necessary, therefore, that Governments should undertake the investment, and that was what the Governments of most developing countries wanted to do. Unfortunately, they could seldom count on adequate public revenue to finance that kind of investment. Moreover, it was difficult for them to borrow in international markets to finance such investment, since it would only yield a return in 15 to 20 years' time. The international community should therefore become aware of that problem and launch a major effort to concentrate more official development assistance on investment in human capital. He sincerely hoped that the International Conference on Population to be held in 1984 would take up those issues.

69. In his opening statement before the Council, the Secretary-General had outlined a comprehensive recovery programme for the world economy, based on the recommendations of the Committee for Development Planning. His Government would make a careful study of those recommendations. Every idea and every action likely to contribute to the rapid recovery of the world economy would have its full support.

The meeting rose at 1.10 p.m.

38th meeting

Tuesday, 13 July 1982, at 3.15 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.38

In the absence of the President, Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)

1. Mr. LICHILANA (Observer for Zambia) said that his delegation shared the concern expressed by previous speakers about international economic relations. Although it was over eight years since the international community had committed itself to establishing a new world system, the gap between the world's rich and poor countries was widening. The trend of events, which augured ill for all countries, must be checked before it became uncontrollable. The interdependence of economies could have meaning only if the entire international community took steps to restructure the world economy in accordance with General Assembly resolutions 3201 (S-VI), 3202 (S-VI) and 3281 (XXIX), and the goals and objectives set forth in the International Development Strategy for the Third United Nations Development Decade. Governments must search collectively for appropriate ways to do so, since the ways and means set forth in the Strategy were not pragmatic enough. The task would doubtless be protracted, testing and, at times, unpalatable, and would involve prolonged negotiations within and outside the United Nations system. But the global negotiations on international economic co-operation for development must be launched as a first step.
2. Institutional changes and structural reforms leading to lasting solutions could result only from an integrated approach, and the global negotiations referred to in General Assembly resolution 34/138 offered the best chance of achieving the desired objectives. Those negotiations would not interrupt or detract from discussions in other United Nations forums but would strengthen and draw upon them by ensuring the participation of all countries and universal adherence to the solutions agreed upon.
3. Raw materials represented the first area in the international economic system in which restructuring was vital to the developing countries' economies. It was regrettable that, ever since the developing countries' attempts to assert their inalienable right of sovereignty over their natural resources, the developed countries had manipulated commodity market price mechanisms to their own advantage, at the same time over-pricing their exports and manufactures. They had sought to justify that inequitable practice by invoking the concepts of free trade and the operation of market forces; however, although true freedom was to be cherished, the types of freedom which perpetuated the division between affluence and deprivation should be curtailed for the good of mankind. One such freedom was that prevailing in the commodity markets, which should be restructured so that developing countries' raw material export earnings were commensurate not only with domestic production costs but also with the price of imported capital and consumer goods. The prospect of the Common Fund for Commodities becoming operational in 1983 or shortly thereafter gave grounds for optimism; his delegation hoped that the spirit in which the developed countries had signed and ratified the Agreement Establishing the Common Fund for Commodities would prevail when international commodity agreements were negotiated under the Integrated Programme for Commodities.
4. The unilateral measures and similar trade policies currently pursued by the developed countries contrary to the International Development Strategy for the Third United Nations Development Decade were intensifying protectionism and threatening the market access of the developing countries' exports. As a result, the United Nations Conference on Trade and Development would unfortunately have to devote much time, at its forthcoming sixth session, to that and similar issues.
5. The objectives, set forth in the Lima Declaration and Plan of Action on Industrial Development and Co-operation and reiterated in the International Development Strategy, of raising the developing countries' share of world industrial production and of world trade and manufactures to 25 and 30 per cent respectively by the year 2000 had been based on the assumption that those countries would process their own raw materials for export. Despite all international agreements reached so far, however, the developed countries showed no readiness to assist the developing countries in the financing, industrial redeployment and unimpeded technology transfer required in order to accelerate the process.
6. Work in areas in which concerted international action was urgently required in order to restructure the world economy—for example, those of finance, food and agriculture, transport and communications and social services—should be co-ordinated in a single body to guarantee participation by all countries. None was more

suitable than the United Nations, and that was why the developing countries were anxious to launch the global negotiations.

7. With regard to the Council's own proceedings, not only was the agenda monotonously similar year by year, but the statements of the developed and developing countries alike had become repetitious, and no genuine attempt was made to seek solutions and thereby dispose of some of the recurring agenda items. The capitalist and socialist groups of developed countries each blamed the other's policies for economic failures, whereas the developing countries' individual economic policies reflected their own prevalent social and political conditions, which were never the same in any two countries.

8. The programmes and projects contained in the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa had been identified on a priority basis by Africa's own economists and planners. They had been aware of the virtues and vices of capitalism and socialism applied in an African context, but they had recognized that the development of Africa was a universal task whose success would depend greatly on the developed countries' assistance, which should not be conditional upon any individual country's economic policies.

9. Africa contained 20 of the 35 countries recognized as the world's least developed, and the admission of five more African countries into that category had been requested. Zambia would be at the head of those countries but for the criterion of *per capita* income which, as he had pointed out during the United Nations Conference on the Least Developed Countries, was distorted, in the case of Zambia, by the high incomes accruing to expatriate workers in the mining industry; moreover, no account was taken of the transport costs of being land-locked. The development of Africa therefore deserved priority if imbalances and inequities were to be eliminated under the new international economic order.

10. Mr. ARIAS SCHREIBER (Peru) said that there was growing concern about the disasters in various fields—ecology, population, food, welfare—which, unless effective means were found to control them, might become impossible to solve or to handle. One view, expressed in a recent newspaper article, was that the difficulty stemmed not from a lack of means to face the problems but from the differing views on priorities and the inability of economists, politicians and intellectuals to deal with the world's real problems. That was a simplistic view which could lead to sweeping, arbitrary conclusions. In fact, United Nations officials gained thorough and objective experience, through service in the field and personal contacts, of the problems concerned; they prepared studies and directed Governments' attention to requisite courses of action. Even if they expressed alarm, their conclusions and recommendations should be brought to the attention of Governments concerned for appropriate action. Moreover, United Nations programmes were not only carried out in the interests of the countries directly concerned but took into account the paramount concern of collective welfare. The President

of the Economic and Social Council, in his opening address (30th meeting), had noted that the Council's style and methods should be modified in line with its role as the co-ordinator of activities whose purpose was to benefit the world as a whole, and the Secretary-General had analysed the international economic situation and referred to a number of measures which should be taken to promote sustained world economic expansion. If the Council could draw up and adopt an economic recovery and social development programme accordingly, noting the pertinent suggestions made by representatives of Member States and United Nations bodies, it would fulfil the most important task expected of it.

11. Despite the efforts of some Governments and international institutions, world problems of the current magnitude could not be solved under the old world economic order, in which national rivalries and the armaments race were intensifying, colonial practices were reappearing, internal anti-inflation measures were being adopted without regard for the consequences for other States, the developing countries found their debt problems worsening because of deteriorating terms of trade and were excluded from high-level financial and economic decisions, and bilateral agreements were replacing multilateral undertakings. All those features pointed to a desire for power and a lack of solidarity, responsibility for which rested chiefly with the Governments of the most developed nations.

12. That situation must be ended through action to eradicate the factors of confrontation. Justice, world peace and security were unattainable as long as luxury existed side by side with poverty. The means to remedy mankind's sickness were available, but must be correctly applied before it was too late. The task would not be easy; the industrialized countries had their own problems, the solution of which called for constant efforts, and the developing countries too must make many changes. But that was no excuse for indefinite delay in adopting a common approach.

13. The Peruvian delegation would co-operate with the Council and its President, with a view to the adoption of the proposals and recommendations expected by the international community, and hoped that those Governments which had had the most reservations about the establishment of a new international economic order would reconsider their position in time and would assume their responsibilities so as to ensure the success of the sixth session of the United Nations Conference on Trade and Development, the forthcoming ministerial meeting of GATT and the global negotiations. There would be no salvation for mankind if they let slip those opportunities and withheld the support needed to stem the tide of world disaster.

14. Mr. REINO (Portugal) observed that the existing picture was not encouraging and the prospects for the immediate future were gloomy. The disturbing economic situation of recent years had unquestionably deteriorated further during the past year and its effects were particularly acute for the non-industrialized countries. As the Secretary-General had rightly observed, the *per*

capita income of the developing countries as a whole had declined in real terms for the first time since the end of the 1950s. His delegation was fully aware of the disastrous consequences of that decline for countries already suffering from poverty, malnutrition and mass unemployment.

15. The international community's participation in the development co-operation process entailed obligations for all developed countries and for those developing countries capable of meeting them. His delegation would like to see such obligations, whose fulfilment could bring benefits for all, assumed not only by the OECD countries, which, despite the difficulties of the current crisis, were endeavouring to maintain the levels of performance of their assistance programmes, but also by the industrialized planned-economy countries and the petroleum-producing countries, some of which already had sufficient liquidity for the purpose.

16. The strict distinction usually made between developed countries on the one hand and developing countries on the other was not in keeping with the contemporary world situation, and might, if it persisted, even make the solution of certain problems more difficult. By facilitating an improved organization of efforts and a more balanced distribution of available resources, a recognition of the various levels of development would be of benefit to all concerned. As a country in an intermediate stage of economic and technological development which both gave and received assistance, Portugal could see the problem particularly clearly. Since it faced the same problems as developing countries, it was well able to understand the demands of those countries. On the other hand, it was aware of the difficulties posed by the international crisis—which affected the entire international community—for the full and rapid satisfaction of the needs of the developing world.

17. His Government was deeply involved in the procedure for Portugal's early entry into the European Economic Community. Its desire for entry was in keeping with its recognition that identification with the other members of the Community as free and democratic societies could strengthen its participation in their solidarity not only in their own geopolitical region but also at the world level. It therefore viewed its entry as a means of seeking solutions to current economic problems and to development in general, particularly in the framework of the Lomé Convention.

18. For Portugal, whose *per capita* GNP in 1979 had stood at \$2,180, 1981 had been a bad year economically, marked by only moderate growth, by increased inflation and by a deterioration in the employment situation. GNP had grown by only approximately 1.6 per cent, as against 4.5 per cent in 1979 and 5.5 per cent in 1980, and the unemployment rate had grown from 7.8 per cent to 8.8 per cent of the active population during the first six months of 1981. The current-account deficit, which was a structural weakness of the Portuguese economy, as of other southern European economies, had risen to \$2.5 billion from slightly over \$1.2 billion in 1980. Remedying that situation, which was a priority issue for his

Government, largely depended on increased exports and thus on a general recovery in the economies of its trading partners, particularly in the Western market-economy countries, which were its main customers.

19. While recognizing that the extremely difficult economic situation had not in fact resulted in a sharp escalation in protectionism, his delegation was deeply concerned at the application of certain non-tariff barriers affecting some particularly important export products of developing countries and intermediate-level countries. He had in mind, above all, the restrictions impeding the normal expansion of textile exports. Such protectionist measures seriously affected countries such as Portugal, whose textiles represented nearly 30 per cent of its total exports.

20. International trade expansion was in the interest of all countries. For a number of years, while trade between developed countries had stagnated, trade growth had essentially depended on the expansion of the markets of developing countries. His country was keen to diversify its international trade through the increased participation of developing countries. Some useful results had been achieved in recent years, particularly with Portuguese-speaking African countries.

21. One priority sector for developing countries was the commodity sector. The Integrated Programme for Commodities, adopted by the United Nations Conference on Trade and Development at its fourth session, had raised great hopes. The results had been modest, however, particularly in the conclusion of international commodity agreements. An important stage had nevertheless been reached with the adoption early in 1981 of the Agreement Establishing the Common Fund for Commodities. His country had already signed the Agreement and hoped that it would enter into force shortly. It also hoped that steps would be taken at the forthcoming ministerial meeting of GATT to bring about a real recovery in world trade. Solutions to current trade problems should be sought in the spirit of the General Agreement on Tariffs and Trade; the GATT system should be improved and strengthened to take account of the interests of developing countries.

22. Some of the main difficulties being experienced were linked with exchange rate instability and with the extremely high levels of interest rates. For Portugal and many other countries, those factors had resulted in an appreciable increase in external debt servicing, nearly three quarters of Portugal's external debt being in dollars. The financing of balance-of-payments deficits was becoming increasingly difficult for many countries.

23. Two of the specific problems requiring urgent solution—those of food and energy—deserved special attention. Those problems, which were the focus of concern for the vast majority of the international community, largely determined the development prospects of many countries. The extreme seriousness of the food and agriculture situation, combined with the energy crisis, posed insurmountable problems, particularly for the poorest countries. Not only was the balance-of-payments situation of the net energy-

importing countries seriously affected by the crisis, but they also had to divert resources that would be valuable for their development to providing payments for food and energy.

24. The most recent developments in the oil market must not be allowed to divert attention from the urgent need to pursue defined objectives such as that of oil independence and the search for new sources of energy. Intensified co-operation with the developing countries and the introduction of new types of financing were also matters of urgency. His country, which devoted a substantial part of its foreign exchange to imports of oil and food products, was keenly aware of those problems, which had recently been further exacerbated by the sharp rise in the value of the dollar.

25. His delegation would support the Council's adoption of the recommendation of the Committee for Development Planning that five further countries should be included in the list of the least developed countries, particularly since one of the five was Sao Tome and Principe, with which Portugal had strong ties. His delegation hoped that the least developed countries could take full advantage of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted in Paris at the United Nations Conference on the Least Developed Countries in September 1981. The success of the Programme would largely depend on the monitoring of its execution. His delegation welcomed the recent convening of the round table for Cape Verde and its development partners, which was the first of its kind, and the fact that it was shortly to be followed by a similar one for Guinea-Bissau. Although its level of development was insufficient to allow it to be among the donors, Portugal intended to intensify its development co-operation with the least developed countries, which had received nearly 50 per cent of its development assistance in 1981, mainly in the fields of vocational training, health and education and in the creation of public works and transport infrastructures, in accordance with the priorities defined by recipient countries.

26. Portugal wished to increase and diversify its bilateral aid, but it was also interested in developing co-operative projects with the support of United Nations or other agencies, or in co-operation with other countries which might benefit from technology and experienced technical staff, adapted to conditions in developing countries, particularly African countries. Portuguese experts might also usefully participate in the technical co-operation programmes of international organizations.

27. He reaffirmed his country's support for the work of ECE. As an instrument of economic co-operation in the region, ECE had played a substantial role in the exchange of information and experience among Governments of member States in the various economic sectors, and in technology and the environment. It had also served as a framework for the negotiation and conclusion of international agreements, including transport and environmental protection agreements, notably the Convention on Long-range Transboundary Air Pollution, which his country had been among the first to ratify. At its most

recent session, the Commission had adopted a resolution and nine decisions which would ensure the continuation of the role and valuable technical activities which it had been pursuing for more than 30 years. The current East-West political tensions and economic climate obviously affected the Commission's activities. Although it was rightly concerned mainly with the problems of the industrialized countries, which formed the bulk of its membership, ECE, as an integral part of the Economic and Social Council, should support programmes designed to assist developing countries in other parts of the world, particularly the least developed countries.

28. His delegation had, on a number of occasions, expressed its desire for intensified co-operation among the regional commissions. The experience of ECE, particularly in science and technology, could be useful for members of other regional commissions, particularly in the Mediterranean region. One important contribution to the development of countries in other regions was the opportunity offered to experts from developing countries to participate in ECE technical meetings and seminars.

29. The problems facing the world were so vast and complex that no people or country could shirk the responsibility of co-operating in efforts to solve them. The challenge was a global one, to which the international community must find a global response. His delegation deeply regretted that, despite unrelenting efforts, it had not been possible to begin global negotiations on international economic co-operation, which could give new impetus to the North-South dialogue. It hoped that agreement could be reached on the conditions for launching the negotiations in a spirit of objectivity, based on the common interest and having respect for all existing bodies concerned. Once the immediate obstacles had been overcome, the international community should be able to arrive at a formula for launching the global negotiations.

30. Mr. TIEN Jin (China) said that the current international economic situation gave rise to anxiety. The developed countries were continuing to experience economic recession, with a very low economic growth rate, growing inflation and unemployment. Most developing countries were facing many problems, including deteriorating terms of trade, large balance-of-payments deficits, serious debt burdens, shortage of financial resources and lack of technology, all of which had created serious difficulties for their economic development, while the least developed countries were even more impoverished. That critical situation could not fail to arouse widespread and serious concern in the international community.

31. The most fundamental of the many reasons for the growing deterioration in the world economy was the existence of long-standing and unjust international economic relations. The basic pattern, in which the developed countries were in a position of monopoly while the developing countries suffered from controls, restrictions, domination and exploitation, remained unchanged. That economic system was increasingly thwarting the developing countries' efforts to achieve economic inde-

pendence and accelerate economic growth. The demand of those countries for a transition from the old international economic relations to a fair and equitable new international economic order was fully justified and reasonable.

32. The past economic prosperity of a number of developed countries had been built largely on the poverty of the undeveloped countries. Following the political independence of the developing countries and the growing awakening of their peoples, it was becoming increasingly difficult to maintain the old international economic relations. The developed countries could clearly not expect to achieve prosperity and development while the economic situation in the developing countries was steadily deteriorating; they should co-operate with developing countries in establishing a new international economic order. Some developed countries, however, were intensifying trade protectionism and drastically cutting their aid, particularly their multilateral aid, to developing countries and even, in some cases, using aid as a means of exerting pressure on those countries. That practice, which was contrary to international economic co-operation, should be abandoned forthwith.

33. The most urgent task in improving North-South relations was to launch the proposed global negotiations under United Nations auspices. The major developed countries should take specific action in that regard. Since the adoption of General Assembly resolution 34/138, joint efforts had been made by developing countries and some developed countries, and there had been some progress in understanding the concept and taking specific action. There was still a long way to go, however, and many obstacles to overcome, before the objective could be attained.

34. In the Substantial New Programme of Action adopted in September 1981 at the United Nations Conference on the Least Developed Countries, the international community, and the developed countries in particular, had been called upon to increase their preferential aid to the least developed countries and many of them had made certain commitments. His delegation hoped that the Programme of Action would be fully implemented.

35. At the Cancún summit meeting on international co-operation and development, held in October 1981, many heads of State and Government had expressed their willingness to improve North-South relations and launch global negotiations. It had been expected that specific action would be taken towards the launching of those negotiations, but obstruction by the United States of America had prevented the fulfilment of that expectation. In March 1982, the Group of 77 had submitted a reasonable and practical proposal which had taken account of the views of all parties and provided a sound basis for a consensus. In the communiqué of the Versailles summit meeting, held in June 1982, the leaders of the seven major industrialized countries had expressed their support for the launching of global negotiations as a major political objective. His delegation hoped that the Governments concerned would show their political

sincerity by taking prompt action to ensure its early realization.

36. It had come to be seen more and more clearly that the various problems for which the developing countries had demanded solutions all involved a gradual transformation of existing international economic relations. It was essential, therefore, to combine the solutions to the pressing problems of the developing countries with the primary objective of establishing a new international economic order.

37. One of the most immediate problems confronting the international community was that of assisting the developing countries to raise the necessary funds to meet their balance-of-payments deficits and at the same time to satisfy their development needs. In his opening statement, the Secretary-General had rightly pointed out that the flow of capital and technology and of official development assistance to the developing countries should be increased. The current financing difficulties in the United Nations development system had adversely affected the economic development plans of many developing countries, and particularly those of the least developed countries. The developed countries should therefore strive to reach the targets for the transfer of resources established by the International Development Strategy for the Third United Nations Development Decade and by the United Nations Conference on the Least Developed Countries, and should not reduce their contributions to United Nations funding agencies.

38. Another urgent task was to overcome trade protectionism against the developing countries. That should be a priority issue on the agenda of the sixth session of the United Nations Conference on Trade and Development, to be held in June 1983. His delegation hoped that the GATT ministerial meeting scheduled for November 1982 would help to improve the trade conditions of the developing countries through practical measures for solving the problem of exports, which was of serious concern to the developing countries.

39. A peaceful international environment was needed in order to attain the goal of economic and social development in all countries, yet the contemporary world was more turbulent and unstable than ever before. Abetted and shielded by the United States, the Israeli authorities had recently launched a large-scale military invasion of Lebanon in an attempt to eliminate the armed forces of the PLO and to extinguish the struggle of the Palestinian people for national self-determination. Such frenzied acts of aggression and expansion had led to a serious deterioration in the Middle East and world situation. The Chinese Government and people strongly condemned the Israeli atrocities and firmly supported the resistance by Lebanon and the other Arab States and the just struggle of the Palestinian people for self-determination. His delegation appealed to the international community to uphold justice and to make every effort to frustrate Israeli aggression and expansion and safeguard peace in the Middle East. It hoped that all Governments, and United Nations and other agencies and institutions, would strengthen their moral and

material support to the Lebanese and Palestinian peoples.

40. Elsewhere, the hegemonists, great and small, were still pursuing their armed aggression and military occupation of Afghanistan and Kampuchea, in defiance of General Assembly resolutions. Their acts were a constant threat to the security of the countries of South-East Asia and to world peace. The South African racist régime was stubbornly maintaining its *apartheid* policy and its occupation of Namibia, thereby causing prolonged instability in southern Africa. All those acts had not only jeopardized international peace but had also seriously obstructed world economic development.

41. The strengthening of economic co-operation among the developing countries was of vital importance. The pursuit of an individual and collective policy of self-reliance among those countries, the promotion of regional co-operation and assistance to build up their economic and political strength, and efforts to overcome their economic dependence by increasing their participation in the international economy would all help to strengthen their position in the North-South dialogue and further the restructuring of international economic relations. Tangible results in economic and technical co-operation among the developing countries had been achieved in recent years. Following the adoption of a Plan of Action by the High-level Conference on Economic Co-operation Among Developing Countries, held at Caracas in May 1981, further progress had been made in the consultations held at New Delhi in February 1982. His delegation welcomed the fact that the Group of 77 was to hold further meetings on the subject during the current year. The fact that the developing countries advocated the strengthening of mutual co-operation among developing countries and the promotion of self-reliance did not mean, however, that economic co-operation between North and South should be replaced or that the responsibility and obligation of the developed countries should be reduced. Still less should that fact be used as an excuse for a refusal to reform the old international economic order.

42. As a developing socialist country, China had consistently stood at the side of the developing countries. At the Cancún summit meeting, the Chinese Prime Minister had described his country's position of principle on international economic relations and on co-operation and development. He had emphasized the need to support the developing countries in their efforts to achieve economic independence and self-reliance; to transform the existing international economic order on the principles of equity, rationality, equality and mutual benefit; to combine efforts to achieve the establishment of a new international economic order with efforts to solve the pressing problems of the developing countries; to recognize the right of the developing countries to adopt a development strategy suited to their national conditions; and to promote North-South negotiations, with a view to improving the economic status of the developing countries. His Government would continue to act on those principles and to work jointly with other developing

countries for the early initiation of global negotiations and the establishment of a new international economic order.

43. There had long been a desire to revitalize the Economic and Social Council. In that connection, his delegation, which favoured the enhancement of the Council's role of co-ordination and the identification of issues requiring priority consideration, supported the proposals that the Council should focus its attention on a limited number of selected major policy issues, that, in deciding priorities, due attention should be given to facilitating the realization of the International Development Strategy for the Third United Nations Development Decade, and that the Council should, as far as possible, refrain from establishing new subsidiary bodies. His delegation was willing to consider those proposals with other delegations, with a view to ensuring that the Council played its due role.

44. Mr. BI JILONG (Under-Secretary-General for Technical Co-operation for Development) said that the Department of Technical Co-operation for Development had been established, pursuant to General Assembly resolution 32/197, to bring together in one entity all aspects of technical co-operation activities of the United Nations Secretariat. The main purpose had been to improve the quality and quantity of technical assistance to the developing countries, and the Department had been given responsibility for a number of substantive areas that were critical to national development. Those areas fell into two broad groups: the first concerned with institutional and human resources development, through action in development planning, the organization and management of public institutions, the training of State managerial staff, public finance management, statistical services and population planning; and the second concerned with the development of physical infrastructures and resources through technical co-operation in the exploration and exploitation of natural resources—including minerals, water and fossil fuels—and energy, in which emphasis had come to be placed on new and renewable sources.

45. Progress in the institutional and physical resources of a country was an essential condition for sectoral and overall national development. Human and natural resources must be mobilized, in order to generate the means for realizing national priorities. General concerns, such as the application of science and technology for development, must be promoted through specific programmes and substantive areas, including those of primary interest to the Department.

46. In pursuing its mandate, the Department had co-operated with other parts of the Secretariat and the United Nations system in preparatory work, analysis and follow-up action on global problems. Examples of such action were the United Nations Conference on New and Renewable Sources of Energy, held at Nairobi, the Rome session of the Interim Committee on the same subject and the United Nations Conference on the Least Developed Countries, held in Paris. The Department was also helping developing countries to implement the Inter-

national Development Strategy for the Third United Nations Development Decade through its work in mineral, energy and water resources, development planning and administration, and population and statistical services, and was co-operating with other parts of the system in implementing humanitarian programmes and assistance to liberation movements. By and large, the work of the Department was country-oriented and most activities took place at the country level. A major emphasis was on institution-building, which was carried out together with the training of national personnel in the necessary skills and disciplines.

47. In the four years since the establishment of the Department, considerable progress had been made. The improvement in the quality and quantity of its services had been reflected in the continuous increase in the number of requests for its assistance. In 1981, the Department had executed more than 1,500 projects, delivering a programme costing \$137 million. Of that total, \$54 million, or 39 per cent, had been spent in Africa, \$39 million, or 26 per cent, in Asia and the Pacific, and \$27 million, or 20 per cent, in the Middle East and Europe. Although expenditure in Latin America, amounting to \$20 million, had represented only 15 per cent of the total, it should be noted that the programme in that region had a qualitative significance, with the development of new methodologies and approaches for possible application elsewhere.

48. Virtually all the resources for financing projects executed by the Department came from voluntary funds such as UNDP, UNFPA, the United Nations Interim Fund for Science and Technology for Development, and trust funds. The Headquarters personnel required to manage and provide additional support for those projects was mainly financed from the 13 per cent support costs earned by the Department, and only minimally from the regular budget.

49. The Administrator of UNDP, in his statement at the 31st meeting, had indicated that voluntary contributions to UNDP for the five-year period of the third cycle, beginning in 1982, would fall 38 per cent short of the target for resource allocation. For 1982, that meant a reduction in IPF expenditure of \$550 million. Those shortfalls had an immediate and devastating impact; they reduced not only the quantity of technical co-operation available to developing countries but also the income available to the Department to maintain its technical staff and competence.

50. The technical co-operation needs of the developing countries were increasing rather than decreasing, as was demonstrated by the conclusions of some conferences held recently and by a number of General Assembly resolutions calling upon the Department to help those countries to undertake natural resources assessment surveys, energy planning and management training. Investment in technical co-operation could greatly contribute to international economic recovery and the growth of international economic relations. There was no doubt that the exploration and exploitation of natural resources, the development of conventional and new

energy sources, the preparation of pre-investment studies and the enhancement of national management capabilities were important instruments for economic recovery and development. He therefore appealed to the Council to give special consideration to the requirements of international technical co-operation. In the opinion of the Department, even modest additional investments in technical co-operation could yield sizeable results, because of the multiplier effect. Violent fluctuations in income should not be allowed to erode the stock of technical expertise painstakingly built up in the United Nations Secretariat. The only real solution to the problem was to agree on a basic minimum organization for technical co-operation and to ensure its survival through the allocation of adequate resources from the regular budget. He hoped that that question would also receive serious consideration by the Council.

51. The ability of the Department to improve its response to the requirements of Member States could also be strengthened by certain internal measures. In that connection, he drew attention to decision 82/19 of the UNDP Governing Council in which the Council had commended the Department for, *inter alia*, the increase in the amount of technical co-operation delivered in 1981 in the face of severe financial constraints, and invited the Administrator to take fully into account the special competence, experience and operational capability of the Department in the designation of executing agencies for the implementation of UNDP-supported programmes and projects in the Department's field of competence. Furthermore, the Council had urged that necessary action should be completed, in pursuance of General Assembly resolution 32/197, to enable the Department to achieve greater flexibility with regard to administrative, personnel and financial matters related to the implementation of technical co-operation projects.

52. The Department had a long record in the field of new and renewable sources of energy. During the 1960s and early 1970s, the Department, or its predecessor, had been a pioneer in the development of geothermal energy in developing countries, and it was currently helping a few countries to explore and harness such energy. It was also active in the field of hydropower and other energy sources. The Department had participated actively in preparations for the session of the Interim Committee on New and Renewable Sources of Energy, held at Rome in June 1982. It had also taken a number of internal measures to strengthen and improve the effectiveness of its energy programme, as part of follow-up action in support of the Nairobi Programme of Action. A Special Unit on New and Renewable Sources of Energy had been established in the Department, and an internal Consultative Committee on New and Renewable Sources of Energy had been organized to advise the Special Unit. At the Rome session of the Interim Committee, his Department had made various proposals for accelerating the development of new and renewable sources of energy and for strengthening the role it could play in that endeavour.

53. The Department paid special emphasis to co-

operation with the least developed countries and accorded priority to their requests in allocating its regular programme funds. More than 35 per cent of its field activities in development planning, development administration and natural resources were currently concentrated in the least developed countries. The Department had co-operated with UNCTAD in the preparations for the United Nations Conference on the Least Developed Countries, held in Paris, and looked forward to continuing that co-operation in the global review process.

54. Referring to agenda item 10 (Public administration and finance matters), he said that the importance attached by the Sixth Meeting of Experts on the United Nations Programme in Public Administration and Finance to the strengthening of public administrative and managerial capabilities in the developing countries could hardly be over-emphasized. In the areas identified for special action by the Meeting, the problems of the least developed countries had to be given special attention. The crucial importance of a strong public administrative and managerial infrastructure deserved full political recognition and support; without that, the most well-conceived development goals and objectives could not be realized. He was confident that the Council could take appropriate and effective action on the various national and international measures recommended by the Sixth Meeting of Experts and supported by the Secretary-General. The proposed international centre for public accounting and auditing was to be financed from voluntary contributions and was to provide support for the training of public officials from developing countries in various fields. The report of the Secretary-General (E/1982/69), containing a feasibility study and a project proposal, reviewed the existing state of public financial management systems in developing countries and concluded that the proposed centre would provide a strong stimulus for the betterment of those systems.

55. Referring to agenda item 8 (Convening of an International Conference on Population in 1984), he said that the Department was pleased to have been actively associated with the preparations undertaken so far for the Conference, and looked forward to making further contributions emphasizing the importance of technical co-operation.

56. On the question of regional co-operation, the Department was continuing to co-operate with the regional commissions, in order to develop ways of increasing the effectiveness of advisory services at the regional and interregional levels.

57. There was no doubt that the ability of the United Nations system to respond in a more co-ordinated and efficient manner to current economic and social problems was an extremely important question. However, it was not something which could be discussed purely in terms of operational or Secretariat activities, and it had to be analysed at various levels. At the highest and most important level, it was a question of the political will of Member States to take measures individually and collectively to solve major world problems. A prime example

was the need for Member States to initiate the global negotiations and to agree on important questions relating to finance, energy and trade. Within that overall framework, the operational activities of the United Nations system could be strengthened to respond better to the needs of Member States. However, progress was likely to remain limited unless there were political decisions to provide the system with a flow of resources commensurate with demands. In the absence of adequate resources, considerable attention had come to be focused on the co-ordination of activities in the system, but that could yield only limited results. While improvements could be made, for example, in the administration of technical co-operation activities, they were in no way a substitute for political decisions on major issues.

58. With the support and guidance of Member States, the Department was capable of increasing its assistance to developing countries in order to help to translate targets and goals into tangible achievements through technical co-operation.

59. Mr. SKALLI (Observer for Morocco) said that 10 years had elapsed since the beginning of the world-wide recession, which had led to the bankruptcy of a number of enterprises, an accelerated rise in unemployment and persistent inflation. The crisis had not affected the industrialized countries alone; it had spread rapidly to other countries, thus demonstrating the interdependence of the world economy. Unfortunately, however, the crisis had not been seen from that standpoint. Many Governments had adopted structural and individualist policies rather than concerted action at the international level. It was only following the unsatisfactory results of such policies that an effort at co-ordination had been made at the international level to seek ways of bringing the world economy out of the doldrums. At the sixth special session of the General Assembly, devoted to the establishment of a new international economic order, the problem of recession had been placed in its true context, that of global interdependence.

60. The refusal of the industrialized countries to study solutions to the international crisis within the framework of a dialogue and concerted action between rich and poor countries had merely served to accentuate the process of generalized social and economic deterioration. Under the pressure of events, however, the concept of global interdependence had finally been accepted. All current economic problems should therefore be dealt with in forums open to all States, with strict respect for the principle of equality. So long as that principle was not formally recognized, individual solutions could give rise only to marginal and fragmentary improvements.

61. In fact, the industrialized countries continued to consider certain economic questions solely in the light of their own interests. For example, to fight against domestic inflationary trends, those countries had recently adopted more restrictive monetary policies and tightened their budgets. In the industrialized world, the inflation rate had declined somewhat over the past few months and, according to OECD forecasts, should be stabilized, for OECD members as a whole, at about 8 per cent during

the first half of 1983. However, in giving priority to the fight against inflation, OECD countries had made interest rates their primary instrument, thus affecting adversely the economies of the developing countries. High interest rates had resulted in a sharp increase in the cost of money, dangerously widening the gaps between the interest rates of the various industrialized countries.

62. The economic and social situation of the developing countries had become very serious. According to WHO, some 800 million persons lived in conditions of utter deprivation with insufficient income to ensure the bare necessities of life. Less than one third of the population of the developing countries had drinking water and a satisfactory sewage system. Housing conditions and opportunities for education were largely inadequate in urban areas. The number of illiterate adults continued to increase, and about 300 million adults were unemployed. It was clear that the current critical situation of the developing countries was in great part the result of an unduly close dependence on the industrialized North. The protectionism adopted by the industrialized countries had caused in 1981 not only a stagnation in international trade but also an increase in the balance-of-payments deficit of the non-petroleum-producing developing countries. According to the estimates of IMF, that deficit would become worse and amount to \$100 billion in 1982 and 1983. At the end of 1981, the external debt of the developing countries had reached the unprecedented level of \$500 billion, with debt-service payments representing 20 per cent of the value of exports.

63. The consequences of protectionism for the economies of the developing countries were clear. Those countries, however, needed a rapid growth in trade in order to maintain their access to the international capital market and to increase the investment ratios of their economies. In the absence of such an expansion of trade, the developing countries had no other alternative than to cut back on their development programmes or to go further into debt. The constant deterioration in their terms of trade would persist so long as the world was divided between countries which exported primary commodities and those which exported manufactures and so long as the developing countries continued to depend on the industrialized countries in the financial and technological fields.

64. So far as the financial field was concerned, the developing countries expected IMF to provide more consistent assistance for, *inter alia*, the implementation of their balance-of-payments deficit financing policy. Those countries continued to request authorization to borrow from IMF during a given year up to 200 per cent of their quota without being obliged to submit a stabilization programme in the areas of credit, prices, income, public expenditure, external debt and import control—a requirement that frequently failed to take into account the internal realities of the economies of those countries.

65. In the technological field, it was now recognized that the developing countries needed a middle-level technology better adapted to the resources and local customs of their peoples. However, that concept should go hand in

hand with the transfer of sophisticated technologies that could resolve certain crucial problems facing those countries. He was referring, in particular, to the use of bio-technology to strengthen and improve food production. Even if the estimates for food output were somewhat encouraging, there was still reason for concern, in view of the expected instability of world grain markets for the next few years. Even more serious had been the reduction in the resources normally made available to FAO and the constant decline in the resources of WFP.

66. Official development assistance had risen to \$25.5 billion only, which was, in real terms, 4 per cent below the figure for 1980, while UNDP resources for the period 1980-1982 had declined in real terms by nearly 25 per cent compared with 1979. The third world, whose many development programmes required the support of UNDP, could only be concerned at that situation. It was to be hoped that the donor countries would adopt a favourable position with regard to General Assembly resolution 36/200, which provided for an overall average annual growth rate for UNDP resources of at least 14 per cent.

67. A number of meetings had been held in 1981 devoted to the development of North-South co-operation and to the strengthening of the North-South dialogue. Following the Ottawa summit meeting in July of that year, the Cancun summit meeting had raised the problem of the interdependence and reciprocity of the interests of developing and developed countries and had stressed the urgent need to launch the long-awaited global negotiations under the auspices of the United Nations. The problems facing the developing countries in the field of energy had also been raised in clear terms at Cancun. More recently, the Versailles summit meeting had recognized that North-South interdependence was a reality which could not be ignored.

68. Pending the opening of the global negotiations, the developing countries had recently held a number of meetings to determine ways of ensuring genuine South-South co-operation. They included the New Delhi meeting held in February 1982, at which the various constraints affecting the development of economic co-operation among developing countries had been identified and attention had been drawn to the obstacles to the establishment of multilateral production enterprises among developing countries at the subregional, regional and interregional levels. The reasons which prevented the establishment of a system of global tariff preferences among developed countries had also been stressed at that meeting. In that regard, he wished to pay tribute to UNCTAD for the efforts it was making with a view to the establishment of such a system.

69. At the regional level, and since the adoption by the African countries of the Lagos Plan of Action, meetings between African States had increased, with a view to giving new impetus to intra-African co-operation. The second extraordinary session of the Assembly of Heads of State and Government of the Organization of African Unity, held at Lagos in 1980, had provided an opportunity

to make a full and objective evaluation of African concerns in the economic and social fields and to lay the groundwork for the establishment of an African Economic Community.

70. In declaring the 1980s to be the Industrial development Decade for Africa, the African States, at that meeting, had reaffirmed their desire to take an increasingly active part in world industrial production, in accordance with the objectives adopted at Lima aimed at the accelerated industrialization of the third world. In that regard, industrial redeployment from the North to the South could constitute an important factor in the transfer of the resources necessary for the creation of production units in the developing countries. That redeployment would, moreover, be such as to ensure the gradual restructuring of world industrial production as a whole, an essential objective advocated by UNIDO.

71. The Moroccan Government, which was aware of the need to develop relations between African and European States in the field of transport and communications, reaffirmed its desire to achieve, in close co-operation with its Spanish friends, a link between Europe and Africa through the Strait of Gibraltar. To that end, it relied on the support of several countries and foreign organizations and on the invaluable assistance of the United Nations.

72. He stressed that global interdependence and collective autonomy should be regarded as complementary and not contradictory strategies, since they were both related to the establishment of the new international economic order.

73. The third world deeply regretted the failure of the second special session of the General Assembly devoted to disarmament. It was disappointing to note that a substantial proportion of the world's resources would continue to be directed to the armaments race and not devoted to the improvement of the economic and social condition of peoples.

74. The political framework within which sustained growth should take place should be one in which the members of the international community behaved in accordance with the Charter of the United Nations and international law. There was no possibility for a genuine solution to the international crisis when the use of force and violence was regarded as normal procedure. In that connection, the inadmissible behaviour of Israel in the Middle East undeniably compromised the economic prosperity of all the peoples in the region. The attack against the Iraqi nuclear research centre, and the recent aggression against Lebanon for the purpose of committing acts of genocide against the Palestinian and Lebanese peoples, were examples which fully illustrated Israel's conduct and its concept of international relations. There could be no solution to the international social and economic crisis if actions such as those of Israel were tolerated and if international relations continued to be dominated by the law of force and by disregard for the most elementary legal and moral standards.

75. Mr. BIRIDO (Sudan) said that political will and a maximum degree of international co-operation would be

needed to deal effectively with the severe problems facing the world economy, which particularly affected the economies of the developing countries, especially the least developed. The least developed countries had achieved a very weak overall performance and in some cases negative growth rates. Their debt-servicing problems were mounting, impeding their ability to borrow and to meet increased demands for financing development and basic needs. Concessional and other forms of assistance were shrinking and the achievement of the official development assistance target of 0.7 per cent of GNP for all donor countries seemed more distant than ever.

76. The Administrator of UNDP, in his recent statements to the Council (31st meeting) and at the twenty-ninth session of the UNDP Governing Council, had described the negative effects of reducing assistance to the least developed countries. He had referred to the Sudan as an example, and had said that after a gradual build-up of expenditure during the second programming cycle, momentum had been abruptly halted. Delivery in 1982 would be 40 per cent lower than in 1981, with zero real growth projected to the end of the third programming cycle, given the sharp reduction in expenditure for 1982. In such a critical situation, the donor community was in duty bound, in the spirit of interdependence, solidarity and co-operation, to increase its assistance to the developing countries. In that connection, he welcomed the declaration of the European Economic Community and its member States (32nd meeting) regarding their commitment to the 0.7 per cent target and the allocation of 0.15 per cent of GNP to the least developed countries. He hoped that other donor countries would follow suit.

77. The global negotiations on international economic co-operation called for in General Assembly resolution 34/138 offered a way of tackling the current economic crisis in a co-operative, sober and responsible fashion. The Declaration adopted at the Versailles summit meeting had stated that the launching of the negotiations was a major political objective and had described the draft resolution submitted on the matter by the Group of 77 as helpful, but it had suggested "minor amendments". Surely the developed countries would not allow minor amendments to block such a major endeavour as the launching of global negotiations; if they were as committed to the negotiations as they claimed, they would allow them to start in the near future. After all, the enabling resolution would not by itself solve any problems but would merely allow the participants in the negotiations to seek solutions.

78. The sixth session of the United Nations Conference on Trade and Development, to be held at Belgrade in 1983, offered an important opportunity for the international community to demonstrate its political will to initiate measures that would help to rectify the problems facing the world economy. In particular, he hoped that a meaningful assessment would be undertaken of the progress in implementing the Substantial New Programme of Action for the 1980s for the Least Developed Countries. The position in respect of commodity trade

and the implementation of the Integrated Programme for Commodities called for additional efforts to reach specific agreements. In addition he hoped that, at the forthcoming ministerial meeting of GATT, concrete measures to preserve an open trading system would be adopted.

79. In their statements to the Council, the Secretary-General (30th meeting) the Director-General of FAO (33rd meeting) and the Executive Director of the World Food Council (34th meeting) had drawn attention to the need for more vigorous and sustained food production. According to the FAO report entitled *Agriculture: Toward 2000*, the food and agricultural production of the developing countries would have to double approximately in the next 20 years, in order to meet the growth in demand. Agricultural production, therefore, must be stimulated by a massive programme of investment made possible by the mobilization of national resources and more substantial aid from the international community. The report pointed out that, although global food production had risen by 3 per cent in 1981, food production in many low-income countries, particularly in Africa, had declined. He therefore welcomed the endorsement by the World Food Council of the recommendations of the African Ministers of Food and Agriculture at the Regional Consultation for Africa, held at Nairobi in March 1982, calling for accelerated efforts by African countries and international agencies within the framework of the Lagos Plan of Action.

80. The negotiations to establish a financing system for science and technology for development had met with only limited success. Nevertheless, three years after the United Nations Conference on Science and Technology for Development, held at Vienna, agreement was emerging on a permanent financing system; the basic features of the financial and institutional arrangements for the system had been defined, and he trusted that the consultations in progress would make it possible to agree on detailed institutional arrangements. Many points remained to be settled, but final agreement was possible by the end of the year. The political significance of such an agreement and its effect on morale, at a time when almost all initiatives and negotiations were frustrated, should not be overlooked.

81. His delegation strongly supported the convening of an International Conference on Population in 1984. It would be an opportunity for assessing what had been achieved so far, with the aim of providing new directions for the next phase of integrating population in the development process. The Sudan intended to undertake a population census in 1983, a preparatory conference for which was to be held shortly. He hoped that UNFPA would participate actively in both. It was a matter of grave concern that UNFPA had found it necessary to reduce its allocation to the Sudan by 40 per cent, and he strongly urged that the allocation should remain as approved by the UNDP Governing Council, in order to enable the census to be completed.

82. The Sudanese delegation attached great importance to the industrialization of developing countries and fully endorsed resolution 55 (XVI) on the Industrial Develop-

ment Decade for Africa, adopted by the Industrial Development Board at its sixteenth session, in which donor countries and institutions were urged to increase their contributions to African industrial development, with a view to achieving the target of 1.4 per cent of world industrial production for the African region by the end of the Decade. It was also to be hoped that the forthcoming sessions of the Board and of the General Assembly would endorse the important proposal for the establishment of an international bank for industrial development.

83. As far as the revitalization of the Council was concerned, he believed that improvements were called for in its role as a co-ordinating body, that its work should be rationalized and directed to priority areas, and that a limited number of important issues should be selected for discussion at each of its sessions.

84. In his opening statement (30th meeting), the President of the Economic and Social Council had drawn attention to the current deterioration in international relations and increasing recourse to force instead of peaceful and equitable relations based on respect for sovereignty and the aspirations of peoples. In that connection, the current Israeli aggression against the Palestinian people and Lebanon was a sad example of the crimes committed by Israel against the sovereignty and independence of Lebanon and against the efforts of the countries of the region to develop their resources and economies in a peaceful way. It was a flagrant violation of international law and of the Charter of the United Nations, and its obvious objective was to destroy Lebanon and to exterminate Palestine nationalism, while maintaining and expanding the racist Zionist entity. His delegation therefore condemned the aggression in the strongest possible terms, and reiterated its full support for the Palestinian people in their struggle to achieve their inalienable rights and to establish their own State under the leadership of the PLO.

85. Mr. MORIN (Agency for Cultural and Technical Co-operation) said that the Agency he represented, founded in 1970, had been given observer status at the United Nations in 1978. Since then, it had been represented at many sessions of the General Assembly and in FAO, UNIDO and the Economic and Social Council, and had also promoted a number of ministerial meetings on priority matters of common interest to its member countries. Although those high-level meetings had not been linked to the implementation of particular programmes of the Agency, they had confirmed its operational approaches and in some cases encouraged new ones. They had also demonstrated the usefulness of contacts among the member countries and the advantage of formulating joint positions with regard to the world system.

86. The Agency's major programmes were directed towards culture, science and technology, and education and training.

87. The Conference of Ministers of Culture, held at Cotonou in September 1981, had demonstrated the desire of the countries linked by the French language for a common approach to the concept of culture. The equal

value of the various cultures in the French-speaking world needed to be accompanied by equality of technical means to allow those cultures to share their products and to build up gradually a new joint heritage. In the Cotonou Declaration, the Agency had formulated an operational approach to the aspirations of its 38 member countries, which were identical with those of UNESCO. Its participation in the forthcoming world conference on cultural policy to be held in Mexico could therefore be of great benefit to the United Nations community. It had acquired much useful experience in the field, which it was ready to make available to the competent United Nations bodies. Its guiding principle was that of horizontal co-operation among countries at equivalent levels of development, a method which had been particularly effective in regard to culture. The Agency had encouraged each of its member countries to proceed scientifically with the collection of its oral traditions and the conservation of its cultural heritage, at the same time encouraging creativity and the adaptation of historical values to current needs. Its programmes frequently went beyond the frontiers of its member countries to involve others sharing the same cultural heritage. Its programmes in respect of the film, the theatre, literature and contemporary art illustrated the cultural wealth of the member countries and encouraged its expression in both traditional and modern terms. It encouraged literary and artistic creativity through a system of national and international competitions. It also supplemented wherever possible the regional or global initiatives of agencies of the United Nations system. In respect of handicrafts, its efforts were directed towards the encouragement of master craftsmen, and the adaptation of traditional crafts to current conditions, while retaining their ritual character. International activities included participation in specialized meetings, a travelling exhibition, the establishment of appropriate administrative and commercial structures, and the exchange of skills. In that field also, the Agency's sphere of action extended beyond the French-speaking world.

88. Following the adoption of the Cotonou Declaration in 1981, the Agency's activity was to be directed towards equalizing the flow of cultural exchange between North and South, by providing developing countries with the necessary technical means to make their products known both in developed and in other developing countries.

89. The lasting and increasing dependency of developing countries in such crucial fields as food needs, trade, technology and the imbalance in respect of information, was a matter for concern. In comparison with their needs, the means available to the Agency were modest. It was obliged, therefore, to be highly selective in its choice of programmes and original in implementing them, making every effort to avoid duplication with other national or international programmes. It had decided that its programmes of scientific and technological co-operation would be directed towards improving the conditions of the rural population, in particular young people, in respect of housing, health and education. It would also seek to develop the dissemination and exchange of

information in the fields of science and technology and of rural development among member countries. It would help the developing countries to prepare an inventory of their natural resources and to strengthen their capacity for adaptation and innovation in the technological field, as well as their institutional capacity to absorb and assimilate international assistance. The course followed by the Agency, since well before the United Nations Conference on Technical Co-operation among Developing Countries, of fostering horizontal co-operation among developing countries, would be reaffirmed and expanded, and a co-operative network would be established for each project, in which national teams would work together towards a common objective. The network concept was in keeping with the Agency's aim of fostering multilateral and regional activity.

90. The Agency was co-operating actively with national ministries of education and youth in selecting topics for study which were particularly important to young people, and had decided to concentrate on major programmes and projects for the social and economic welfare of young people and rural communities, for the preparation, dissemination and exchange of scientific and technical information and for the compilation of inventories of natural resources and their exploitation by means of appropriate technology.

91. The educational programme for the biennium 1982-1983 was divided into four sections: a programme of linguistic research, a programme of documentation and information on educational innovations, an audio-visual programme, including teaching methods, and a training programme. All were organized so that new requests by States could be integrated in them. The programme as a whole was a response to the overall problems of educational development experienced by the Agency's member countries. Since its resources would not allow it to deal with those problems in their entirety, it had selected certain activities out of the vast area of educational co-operation.

92. The most remarkable expression of the Agency's permanent training programme was its International School at Bordeaux, France. At the School, men and women from different cultures and 38 different countries, some among the poorest and others among the richest in the world, could live together and learn to understand each other, and determine how their Agency was to develop in their own countries. Since 1972, more than 3,000 persons responsible for economic and cultural development in 50 countries, some of them not French-speaking, had been able to experience a type of cultural encounter based on equality, complementarity and solidarity.

93. At the Fifth General Conference of the Agency, held at Abidjan in December 1977, a special development programme had been adopted, intended to contribute to the establishment of the new international economic order. Its purpose was to help member countries to attain certain objectives of their national development plans by responding to their specific requests. Its role was complementary to that of the bilateral and multilateral

assistance bodies, and its effects went beyond the means actually used. One of its activities was to attract financing from national or international organizations to ensure the follow-up to activities already started. The increasing number of projects, which had risen from 25 in 1978 to 200 in 1982, demonstrated how well adapted the programme was to the needs of developing member countries. Its budget was made up of their voluntary contributions.

94. On 17 December 1981, the General Assembly had adopted resolution 36/174, requesting the Secretary-General to examine the Agency's proposals for reinforcing co-operation with the United Nations and to submit a report on them to the thirty-seventh session through the Economic and Social Council. The Agency was awaiting with pride that report, which would, it was sure, be a new starting point in its relations with the United Nations and would intensify their joint action for the well-being of the international community.

95. The new Secretary-General of the Agency, Mr. Owono-Nguema, who had taken office on 1 March 1982, was determined to strengthen and consolidate the Agency's achievements over the last 10 years and to open it still further to the French-speaking world. He intended to pursue a policy which would demonstrate that the Agency had freed itself entirely from the former ties which had once bound the metropolitan countries to their colonies, now independent and sovereign States, and thus put into practice the fundamental principle of equality, without which its other guiding principle, complementarity, would lose its meaning. Without equality, the principle of solidarity might be confused with charity. A further sign of greater openness on the part of the Agency would be intensive collaboration with other institutions for international co-operation. The French-speaking community should be able to appear before the world as a united body, capable of engaging in a fruitful dialogue based on the precepts of a genuine and universal humanism.

96. Mr. MAKEYEV (Union of Soviet Socialist Republics), speaking in exercise of the right of reply, said that the figures given by his delegation to the Council the previous day, relating to assistance to developing countries, spoke for themselves. Assistance from the Soviet Union for the period 1976-1980 had amounted to 30 billion roubles—an annual average of 1 per cent of GNP, that percentage having risen from 0.9 per cent in 1976 to 1.3 per cent in 1980. No major capitalist country had been able—or willing—to match those figures. Further details were given in a letter dated 12 July 1982, addressed to the President of the Council by the head of the delegation of the USSR (E/1982/86). The details would be unpalatable to those who had long sought to disparage the extent and quality of Soviet aid to developing countries. But parties to that campaign of slander were making fresh efforts to justify their claims, such as the ridiculous attempt by the representative of the Federal Republic of Germany to belittle the significance of the details given by the Soviet delegation. His assertion that 0.46 per cent was actually greater than 1.3 per cent denoted an ignorance of arithmetic: Soviet aid had in fact

been greater than that provided by the Federal Republic of Germany, even in relative terms, and the assertion was even more absurd when the figures were compared in absolute terms.

97. It was known, of course, that much of the Western nations' capital investment in developing countries was for the purpose of furthering their own profits. Investments by the Federal Republic of Germany were examples of such exploitation of the developing countries. The representative of the Federal Republic of Germany had also adduced other "data", clearly from Western sources; and it was no secret that some tendentious distortions of Soviet aid figures for developing countries had appeared in the press and in the documents of certain international bodies. That was part of the West's propaganda campaign, consisting *inter alia* of alarmist claims of Soviet "expansion", which also provided an excuse for increased spending by the West's military-industrial complex. Such figures should be left to the conscience of their authors.

98. With regard to the comments made by the representative of the Federal Republic of Germany concerning the Soviet delegation's appraisal of world economic problems and the means of solving them, the solutions advocated by the USSR were not only appropriate but were also based on General Assembly resolutions relating to the establishment of a new international economic order and the restructuring of international economic relations on a truly democratic basis, on the Charter of Economic Rights and Duties of States, and on the International Development Strategy for the Third United Nations Development Decade. The United Nations had declared imperialism and neo-colonialism to be major obstacles, which must be promptly eradicated. But since the Federal Republic of Germany did not uphold such decisions, the comments of its representative were only to be expected.

99. The Soviet delegation had already mentioned the reverse flow of resources—a neo-colonial manifestation out of all proportion to the so-called "assistance" from the West. It was noticeable that those Western representatives who claimed that private capital was the best way to promote the newly-independent States' development were reluctant to submit details for United Nations scrutiny. The reason was, of course, that those representatives were well aware of the true nature and operating methods of monopoly capital and transnational corporations.

100. With regard to the situation in Afghanistan, the position of the Soviet Union had been clearly reiterated by Mr. Brezhnev: the Soviet Union fully supported the principle of the independence of States and of non-interference in their internal affairs, and the limited Soviet military contingent at present in Afghanistan was there at the request of the Afghan Government, pursuant to the 1978 Soviet-Afghan Pact and in accordance with the principles of the Charter of the United Nations. That contingent would be withdrawn as soon as the Afghan Government so requested, and when suitable guarantees had been given to Afghanistan by neighbouring States

that there would be no further aggression against Afghanistan from beyond its borders.

101. With regard to the situation in Kampuchea, he drew attention to a joint communique issued by the foreign ministers of Viet Nam, the Lao People's Democratic Republic and Kampuchea on 7 July 1982, which stated, *inter alia*, that the presence in Kampuchea of a military contingent from Viet Nam posed no threat to any third country and was there solely to ensure the Kampuchean people's safety. The contingent would be withdrawn as soon as normal conditions had been established, China's subversive activities had ceased, and the Pol Pot band and other reactionary elements had been crushed. They had also stated that a return to peace and security in South-East Asia could be secured by means of a dialogue between the States of Indo-China and the ASEAN countries, and they had proposed the holding of an international conference to be attended by the States

of Indo-China and of ASEAN, Burma, India and the five States which had participated in earlier conferences on Indo-China—the Soviet Union, China, the United States of America, France and the United Kingdom.

102. Mr. TIEN Jin (China), speaking in exercise of the right of reply, said that the Soviet Union's armed aggression against Afghanistan and the Vietnamese invasion of Kampuchea were hard facts. The General Assembly had adopted major resolutions on both problems, opposing the invasions and demanding the withdrawal of foreign forces. Those resolutions, 36/34 and 36/5, had been adopted by 116 and 100 votes respectively. The figures were conclusive and no further comment was necessary. The Soviet representative's remarks were merely a further indication of his country's intention to pursue its policy of expansion and aggression.

The meeting rose at 6.15 p.m.

39th meeting

Wednesday, 14 July 1982, at 10.45 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.39

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)

1. Mr. SULTAN (Bangladesh) said that the constant deterioration of the world economic situation was doubly disturbing, on the one hand because, as the Secretary-General had stressed (30th meeting), the tensions generated by current world economic problems could lead to greater political instability and international conflict and, on the other, because of its consequences for the already hard-hit economies of the developing countries.

2. The analyses in the *World Economic Survey 1981-1982* confirmed that concern. For the first time since the late 1950s, *per capita* real income in the developing countries as a whole had declined in absolute terms. The Committee for Development Planning had also stated in its latest report (E/1982/15 and Corr.1 and 2) that the current trends in the world economy pointed to the danger of further contraction and stagnation. It was particularly disturbing that the recession was being transmitted from the developed market-economy countries to the developing countries largely as a result of weakening demand for commodities. Furthermore, protectionist measures and aid-tying practices had an adverse effect on the trade of the developing countries. Moreover, their economic growth was hindered by the insufficiency of

multilateral aid on concessional terms, high interest rates and an increasing external debt burden, obstacles to their access to international capital markets, harsher conditions for financial and technical assistance, and the deliberate manipulation of raw material prices. All those factors made the developing countries the principal victims of the ailing world economy and further broadened the gap between them and the developed countries. The least developed countries, in particular, were on the verge of collapse, because the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted in Paris in September 1981, had not yet produced any tangible results.

3. It was particularly regrettable that, at a time when there was a desperate lack of resources for economic development, global military expenditure was continuing to increase; it had even been said in some quarters that such spending would help to stimulate economic recovery. Military spending currently amounted to almost \$600 billion each year, i.e. 10 times the amount of the resources available for official development assistance. That was a tragic waste, when millions of human beings were dying of hunger or having to struggle to survive.

4. Bangladesh was particularly concerned by certain trends which were contrary to the objectives of multilateral economic co-operation in general and the International Development Strategy for the Third United Nations Development Decade in particular. There was a reduction not only in the flow of resources available to multilateral financial institutions, but also in voluntary

contributions to the various programmes and funds in the United Nations system. The interdependence of issues and of countries had been clearly established, and a country or group of countries could not solve the contradictions and difficulties resulting from profound structural imbalances by isolated measures. Furthermore, the deterioration of the international economic situation was partly the result of the measures taken by countries with a preponderant weight in the world economy to solve their problems at the national level, while the current crisis could only be overcome by a global concerted effort by all countries. The existing international economic system was unjust and called for structural reforms which could only be adopted within the framework of global negotiations. Bangladesh earnestly hoped that those negotiations could be launched without delay.

5. At the same time, participants in the negotiations currently taking place in the various United Nations and international forums should strive hard to achieve results in areas of critical importance, such as that of food and agriculture, to which Bangladesh gave very high priority. Bangladesh was concerned at the worsening food situation in the majority of the developing countries and particularly in the least developed countries. It strongly believed that the preparation of a long-term programme geared to the eradication of hunger and malnutrition by the year 2000 had become an urgent necessity, and sincerely regretted that the world still lacked a workable and dependable international food strategy and security system. Such a security system would give the food-importing developing countries, particularly the least developed, access to the resources required, either through grants or on easy credit terms, to import the minimum quantity of foodstuffs they needed to protect their populations against hunger and malnutrition. Such a food security system would make it possible to guard against fluctuations in production and prices and would substantially increase investment in food production. However, increased food production would not be sufficient to solve the problem of hunger; an equitable distribution system was also needed at the national and world levels.

6. The adequate and regular availability of energy was also of critical importance in promoting socio-economic development in the developing countries. The question of supply for oil-importing developing countries was a matter of priority; the developed countries should also help the developing countries to increase their energy production. Multilateral financial institutions should make available substantial additional financial and technical resources for that purpose. In that context, Bangladesh considered the establishment of an energy affiliate in the World Bank extremely important. It also considered that the Programme of Action adopted at Nairobi by the United Nations Conference on New and Renewable Resources of Energy should be implemented immediately.

7. Bangladesh was keenly interested in trade and raw material problems. It hoped that during the forthcoming

high-level meetings, particularly the sixth session of the United Nations Conference on Trade and Development and the ministerial meeting of GATT, it would be possible to find solutions to the difficulties being experienced by the developing countries.

8. While stressing the need to intensify international economic co-operation, he noted that economic co-operation among developing countries was one way of promoting the rational and efficient utilization of human, material, financial and technological resources for the individual and collective well-being of the developing countries. That was why Bangladesh had proposed that close economic co-operation should be established among the countries of South Asia. Such initiatives, naturally, did not relieve the developed countries of their responsibility with regard to the development of the third world.

9. The Economic and Social Council, as well as other United Nations bodies and international organizations, considered major global economic issues on a regular basis. Unfortunately, those meetings and negotiations had a tendency to perpetuate themselves and to produce nothing more than further meetings, expert groups or informal consultations. It was high time to put a stop to that self-defeating and extravagant way of dealing with the issues that were crucial to the lives of millions of human beings. In the future, the Economic and Social Council and the specialized agencies must adopt an action-oriented approach related to specific issues. The specialized agencies must have specific mandates and objectives. It was disappointing to see them squabbling among themselves, when their mission was to serve the international community as a whole. The problem of waste and duplication in those agencies was also a matter of concern to his delegation. Future generations would not forgive United Nations organizations for missing their opportunities for action.

10. Mr. MARTINEZ (Argentina) said that the world economic situation was extremely disturbing and was reminiscent of the crisis of the 1930s. Two trends were particularly disquieting: firstly, the decline in the growth of world trade, and secondly, the increase in interest rates in the international money markets—a direct consequence of the restrictive monetary policies followed by certain developed countries—which discouraged productive investment and accentuated the imbalance caused by fluctuating exchange rates.

11. During the second half of the 1970s, the developed countries had attempted to solve their economic problems by adopting a strictly national approach, without any concern for the effect of their monetary and trade policy abroad. Furthermore, they now appeared to consider that the developing countries shared the responsibility for their mistakes and seemed to want to introduce concepts of gradualism and adjustment, totally ignoring the effects of the deteriorating terms of trade and the growing debt-servicing burden on the economies of the third-world countries.

12. Moreover, by subsidizing exports and restricting imports, the industrialized countries limited the

developing countries' access to international markets, unconcerned at the fact that, as stated in the report of the Committee for Development Planning (E/1982/15 and Corr.1 and 2), a protectionist surge would "not only transmit contraction and unemployment throughout the world economy but also further obstruct the growth of developing countries' capacity to service their external debts".

13. Argentina was also affected by the crisis. According to the summary of the economic survey of Latin America, 1981 (E/1982/75), "1981 was one of the worst years on record for Latin America since the Second World War on virtually all economic indicators". Unfortunately, the developing countries were no longer in a position to break the cycle, as they had been during the 1974-1975 recession.

14. His delegation thanked the Soviet Union for submitting extremely useful information in the letter dated 12 July 1982 from the head of the delegation of the USSR, addressed to the President of the Economic and Social Council (E/1982/86), which showed that a developed country could provide the developing countries with genuine assistance. Argentina greatly appreciated its fruitful trade relations with the USSR.

15. The monetary and financial system established at Bretton Woods had begun to collapse over 10 years previously. It had been based on international relations which had been dealt a mortal blow by the process of decolonization and the advent of many developing countries on the international scene. Argentina had participated as a witness and as a partner in that development. The recent events in the South Atlantic showed, however, that the beneficiaries of the old system would stop at nothing in their endeavours to oppose the transformation of the post-War world. Some countries preferred to squander huge sums on a military adventure designed to recolonize a remote possession, to the detriment of the territorial integrity of a developing country, rather than to use those resources to rehabilitate the usurped territory and improve the living conditions of its inhabitants and those of other third-world countries. It was intolerable that, at the end of the twentieth century, one of the greatest imperialist Powers in history had re-established a colonial regime by force, when its duty as a permanent member of the Security Council was to contribute to peace.

16. Argentina had been the victim of blind aggression by the United States of America, the United Kingdom, the countries of the European Economic Community and other developed countries. Through economic measures, some of those countries had sought to force Argentina to accept the situation currently prevailing in the Malvinas, the South Sandwich Islands and South Georgia. However, no reference had been made to the United Kingdom's refusal to engage in negotiations with Argentina over the sovereignty of those islands, in implementation of Security Council resolution 502 (1982) and various General Assembly resolutions.

17. The use of the economic weapon as a means of coercion had serious legal, political and economic

implications for Argentina and other developing countries. The various concerted measures taken by the United Kingdom and other developed countries—the dispatch of a powerful colonial fleet, the adoption of coercive measures such as trade restrictions, the freezing of Argentine funds abroad, credit restrictions, the naval blockade, etc.—seriously compromised international economic and financial relations, as well as the North-South dialogue. Those measures had been taken in flagrant violation of international agreements, with the obvious intention of strangling the Argentine economy, and with total disregard for the historical and legal basis for Argentina's sovereign rights and the unanimous will of its people.

18. It should be stressed that those trade and financial sanctions had been taken by a group of developed countries against a developing country, and that was undoubtedly why they had been applied with an alacrity which was in striking contrast to the dilatory attitude of those same countries when faced with other more serious problems currently threatening world peace and security. It was much easier to attack a developing country which had little capacity to retaliate economically and militarily.

19. It should be emphasized that no State could take it upon itself to implement Security Council decisions or invoke them in order to carry out its own policing action by taking measures that were contrary to the Charter of the United Nations. Sanctions could only be taken against a country in the circumstances indicated in Article 41 of the Charter. Latin American regional and subregional bodies such as the Latin American Integration Association, the Andean Group and the Latin American Economic System had expressed deep concern over the adoption of economic and financial sanctions against Argentina and had not only supported Argentina but had also taken various measures designed to mitigate the effects of the illegal restrictions, in a true spirit of regional solidarity. Many developing countries and governmental and non-governmental organizations had also proclaimed their solidarity with Argentina. For their part, the non-aligned countries had reaffirmed that they recognized Argentina's sovereignty over the disputed territories, and had stated at the Sixth Conference of Heads of State or Government of Non-Aligned Countries, held at Havana that the non-aligned countries and other developing countries had the right to combat all forms of domination and aggression.

20. The Economic and Social Council, as the central body of the United Nations system for the consideration of economic matters, should help to seek solutions to prevent all forms of economic aggression against the developing countries. Only when the threat of economic aggression had been removed would all countries be able to contribute to the establishment of the new international economic order which was essential for more just international relations and durable peace.

21. Mr. SCHUMANN (Observer for the German Democratic Republic) said that the Council should give priority to implementing the fundamental decisions which had been adopted on the restructuring of international

economic relations along democratic lines and on the basis of equal rights.

22. His country, which believed that nothing was more important than to make peace secure, resolutely condemned the armed Israeli invasion of Lebanon, made possible by well-known imperialist quarters. It condemned the policy of genocide conducted against the Arab people of Palestine by the leadership in Israel, and emphatically supported the calls for an immediate end to military operations and the unconditional withdrawal of the Israeli forces from all Palestinian and Arab territories occupied in 1967. It also reaffirmed its complete solidarity with the Palestinian people, which, under the leadership of the PLO, its sole authentic representative, was waging a just struggle for the implementation of its inalienable national rights and against imperialist oppression.

23. It was today more than ever impossible to establish a new international economic order without in the first place advancing the cause of peace. If the arms race continued and the danger of war was not removed, it would be even more difficult, if not impossible, to solve the complex economic and social problems facing humanity. His country therefore welcomed the recent initiative taken by the Soviet Union, and the commitment it had assumed not to be the first to use nuclear weapons. By adopting trade sanctions against the USSR, the United States of America had tried to deal another serious blow to world trade, the international division of labour and the interests of all States. At the recent thirty-sixth session of CMEA, its member States had decisively condemned attempts to make world trade an instrument of political blackmail and economic warfare. They had stressed their determination to intensify co-operation among the countries of the socialist community and to develop their trade, scientific and technological relations with the capitalist countries on the basis of equality and mutual advantage. As they accounted for more than 30 per cent of world industrial output, the CMEA member countries possessed sufficient economic potential to withstand the pressure from imperialist circles.

24. His country was resolutely opposed to artificial trade obstacles: import quotas, quantitative restrictions, export controls, commercial and customs policies, and the denial of most-favoured-nation treatment, to give but a few examples. It strongly opposed the burdening of economic relations with other problems, the establishment of linkages and the use of trade relations for exerting political pressures. It shared the assessment of some leading political and economic circles in capitalist States that the policy of destabilizing international economic relations and of undermining trust between East and West was not even conducive to the economic development of the countries following such a policy. No one should believe that sovereign States could be intimidated by such blunt weapons as blockade, boycott and trade war methods.

25. There were currently two tendencies in international economic relations: on the one hand, the constructive search for ways of easing the international

situation, which was the approach of the majority of States and had the backing of all peoples; on the other hand, there was economic warfare, an approach favoured by forces which made no secret of their intention to weaken socialism, to prevent the developing countries from gaining economic independence and to repress national liberation movements—and they did not shrink even from measures designed to curb the economic strength and competitiveness of partners in their own camp.

26. The crucial issue of the relationship between disarmament and development had been the subject of a special study¹ and of discussions at the second special session of the General Assembly devoted to disarmament, which provided evidence of the possibilities and of the necessity for the competent United Nations bodies and agencies to give high priority to the identification of appropriate fields of activity, so that the recommendations in the study might be converted into concrete measures. However, with the exception of the report of the Committee for Development Planning on its eighteenth session (E/1982/15 and Corr. 1 and 2) and the report of the Secretary-General on an overall socio-economic perspective of the world economy to the year 2000 (A/37/211 and Corr.1), there was scarcely any reference to the subject in the documents before the Council at the current session, not to mention the lack of concrete proposals. While the authors of the *World Economic Survey 1981-1982* gave evidence of the stagnation of economic growth, inflation and growing unemployment, as well as other manifestations of the crisis in capitalist countries, they did not enter into the real reasons for that crisis, prominent among which was the unbridled arms race. The Council should therefore in future give particular attention to the relationship between disarmament and development.

27. Since it was the most important United Nations body in the economic field, the Council was expected to help to resolve a number of matters awaiting solution in international economic relations: the restructuring of those relations according to democratic principles, the adoption and extension of equal economic relations among States having different social systems, the economic development of the developing countries and the elimination of economic neo-colonialism, problems of international trade, and global problems concerning food, the environment and energy. During the past eight years, the United Nations General Assembly had devoted three special sessions to those issues, and had adopted texts of fundamental importance. In addition, by its resolution 34/138, adopted in 1979, it had decided to convene global negotiations on international economic co-operation for development. Thus, there was no lack of decisions; what was now needed was their implementation. The establishment of a new international economic order called for the co-operation of all States. Experience confirmed that negotiations involving a select

¹ See *The Relationship between Disarmament and Development* (United Nations publication, Sales No. E.82.IX.1)

group of participants were of no help in the solution of world-wide problems affecting the interests of all.

28. For their part, the socialist countries and the developing countries had sought in many ways in recent years to translate the decisions on the new international economic order into reality. The meetings of the non-aligned countries and the ministerial meetings of the Group of 77 had always achieved progress in that direction, while the socialist States had supported those efforts. On the other hand, other forces had spared no effort to obstruct the implementation of those decisions, including those concerning the beginning of global negotiations, and to prevent the democratization of international economic and financial relations, slow down the process of economic decolonization and establish new, neo-colonialist relationships of dependence and exploitation.

29. His country, which endeavoured to maintain stable relations with the capitalist States, was faced with serious problems arising from the crisis that afflicted the capitalist countries and the attempts by monopolist circles to shift the burdens of that crisis on to other countries, and in particular the socialist countries. The working people of his country were striving to meet those difficulties through increased productivity. His country also attached great importance to the strengthening of its relations with the developing countries and national liberation movements. Solidarity with the developing countries and support for them in their just struggle for economic decolonization and independence was the long-range policy of the German Democratic Republic. Its trade with the developing countries had more than tripled since 1970. From 1970 to 1980, it had set up more than 700 enterprises in developing countries, all of which had or would become the property of the country concerned without any strings whatsoever and without any transfer of profits.

30. His country was sparing no effort to assist developing countries in training their own cadres. The number of persons from developing countries undergoing training in his country increased from year to year. From 1970 to 1979, some 40,000 persons from developing countries received vocational training or further training in the German Democratic Republic. During the same period, some 10,000 citizens of those countries graduated at universities and technical colleges in the Republic. Furthermore, in recent years more than 15,000 experts from his country had been assigned to developing countries, to assist them in the creation of modern socio-economic structures, pursuant to decisions taken by those countries themselves.

31. In concert with the other members of CMEA, his country would continue to shape its co-operation with the developing countries according to socialist principles. That co-operation was genuinely effective, and had been proved in many fields, as was further substantiated by the note dealing with the economic relations of the USSR with developing countries (E/1982/86). Unlike the assistance of the capitalist countries, that assistance was not financed from neo-colonialist profits or by the exploitation of developing countries but through the hard work of

the peoples of the socialist countries themselves. That assistance would also in future be furnished in forms and through channels which, in the view of his country and its partners, were the most appropriate and effective.

32. The report of the Secretary-General on an overall socio-economic perspective of the world economy to the year 2000 (A/37/211 and Corr.1) called for a number of comments. His country believed that the social aspects of development should not only be dealt with in one particular chapter, but should also be integrated in the major subject areas and scenarios. In the opinion of his country, such fundamental problems as the socio-economic development of the developing countries could hardly be solved by the working out of variants concerning possible growth rates or by estimates of possible economic trends. Due regard should also be paid to essential factors of development such as economic and social planning, the development of the public and co-operative sectors, land reform, the creation of progressive social infrastructures, full national sovereignty over natural resources and control over the activities of transnational corporations. In particular, the provisions on the establishment of a new international economic order should be a starting-point for the further work concerning the report. His country supported the view expressed by other delegations that the report, together with the comments made during the current session of the Council, should be transmitted to the General Assembly at its thirty-seventh session, so that it could decide how the work of the Secretariat could be improved in that field.

33. In fulfilling its mandate under the Charter of the United Nations, the Economic and Social Council should direct its activities and measures mainly to the following ends: first, the promotion of international economic co-operation on a basis of equality, and the ruling out of recourse to any forms of economic pressure; secondly, the launching of the global negotiations—for which the time was ripe—which might serve to overcome the present stalemate and to achieve concrete results, as well as to secure agreements on the basis of General Assembly resolution 34/138; thirdly, the Council should undertake a full review of the Charter of Economic Rights and Duties of States, in view of the forthcoming tenth anniversary of its adoption and its contribution to the establishment of a new international economic order on an equal and democratic basis; fourthly, one of the main concerns of the Council should be the economic development of the developing countries, which must be able to exercise full sovereignty over their natural resources and economic activities and to control and regulate the activities of the transnational corporations; finally, the Council should also concentrate on measures against the transfer of profits and the brain drain from the developing countries, and on activities directed against other manifestations of the neo-colonialist exploitation of those countries.

34. His country was in favour of dialogue and co-operation at all levels and of appropriate agreements between States having different social systems, not only in times of détente, but even more so in periods of

heightened international tension. Such dialogue could contribute greatly to the lessening of tensions and to the settlement of disputes and conflicts by exclusively peaceful means. There was no reasonable alternative to the policy of peaceful coexistence.

35. Mr. OSMAN (Observer for Somalia) said that he shared the view expressed by the President of the Council in his opening address (30th meeting) that no one could be self-sufficient in a world of growing interdependence and that co-operation was the expression of the objective need on which not only development but also survival depended. The developing countries sought only to play their proper part in increasing the world's wealth. They had minerals and natural and human resources, and, given the necessary technology and capital, they could produce the additional goods and services needed by their peoples. However, the developed countries believed that what the developing countries sought was the redistribution of existing wealth, and therefore feared that their standards of living would go down. It was because of that misunderstanding that the North-South dialogue remained deadlocked, and that the recent summit meetings at Ottawa, Cancún and Versailles had produced only reservations, caveats and sterile explanations. A spirit of compromise should be shown on all sides, so that a global round of negotiations could commence very shortly, in which both developed and developing countries might find their salvation.

36. His country, the bridgehead between the Arab world and Africa, was one of the least developed countries and was currently obliged to give asylum to over 1 million refugees. However, the assistance of the international community to his country fell far short of what was needed. His delegation hoped that the developed countries and the competent agencies of the United Nations system would redouble their efforts to help countries such as his own to emerge from underdevelopment.

37. Since the first regular session of 1982, the President of the Council had been deploying positive efforts to revitalize the Council, which should rightly have pre-eminence in economic and social matters. There could be no denying that, in the food and agriculture sector for example, despite the existence of international organizations such as FAO, IFAD, WFP and the World Food Council, Africa was still threatened by food shortages, drought and famine. Despite the efforts of UNCTAD and GATT, trade negotiations were not helpful to developing countries; trade deficits continued to plague countries such as his own. UNIDO had been set up to assist the developing countries in their industrialization, but if no real international economic co-operation was forthcoming, the share of the developing countries in world industrial production by the year 2000 would be not 25 per cent but only 16 per cent. Food and agriculture, trade and industry, together with energy, were the keys to development. The international community should therefore give full support to the competent organizations in those various fields; in particular, as more than 80 countries had now ratified the Constitution of UNIDO, the Secretary-

General should convene a conference of plenipotentiaries forthwith, in order to inaugurate the Constitution.

38. The Committees of the Whole set up in recent years to tackle important global questions had never been successful. Earlier, however, when the Council had had only 27 members, it had been a vital institution. Perhaps the answer would be that the Council, with its larger but still balanced membership, should be entrusted more often with specific responsibilities. In particular, as from the current session, the Council should carefully study the five recommendations of the Committee for Development Planning mentioned by the Secretary-General in his opening address. The Secretary-General should also be heeded when he stated that a world recovery programme should recognize the need for and the possibility of the intensification of subregional, regional and interregional co-operation among the developing countries themselves.

39. It should be stressed that development and international economic co-operation could not be achieved in a world dominated by super-Power rivalry, armed intervention and the persistent denial of human rights. He referred to the attack launched against his country by Ethiopian armed forces with the support of a super-Power with imperialistic designs, which had led to heavy losses in terms of human life and property. Likewise, the recent invasion of Lebanon and the aggression of Israeli armed forces against the Palestinian people were a serious breach of the principles of the Charter. His country pledged its full support to Lebanon and the Palestinian people.

40. Mr. DE VRIES (International Confederation of Free Trade Unions) said that in the face of deep economic depression, basically characterized by poverty and unemployment, declining real incomes, a widening gap between rich and poor, and rising tensions and threats to world peace, Governments were in most cases following ineffective policies. The successive summit meetings of the main industrialized Powers had yielded scant results: Governments confined themselves to the pursuit of purely monetary objectives, cutting their social policy budgets, raising interest rates and restraining consumer expenditure, and thus exacerbating the rise in unemployment.

41. On the contrary, it was essential to return to a real economic growth policy based primarily on investment, in the public rather than the private sector. Such a strategy was particularly important for the developing countries, and would therefore have to be associated with a major expansion in the flows of official development assistance from the developed countries. In order to avoid a resurgence of inflation, discussions must be held with trade unions and employers about the prospects for wages, prices, profits, investments, anti-poverty measures, government-financed services and employment. Above all, political courage and realism were required, instead of the continuation of a policy of half-measures based on restraining the money supply and curbing demand, for example.

42. The international trading system continued to be subjected to considerable strains. In that connection, the International Confederation of Free Trade Unions had always advocated that growth in world trade should result in the improvement of the workers' living standards everywhere. In the developing countries, the fact that wages were lower should, over time, permit an expansion of production and a consequent improvement in living standards; likewise, in the industrialized countries, where wages were higher, workers displaced from industries as a result of competition from developing countries should be able to move to new jobs where skills were important factors of production.

43. From 1950 to 1973, the General Agreement on Tariffs and Trade had regulated international trade and thus trade growth. In order to ensure that it could continue to exercise that function in the 1980s, the Confederation believed that a social clause should be inserted in the Agreement and in certain other international agreements, in order to ease the process of change by linking various basic social policy standards to trade growth. In that connection, ILO conventions and recommendations, often particularly relevant for developing countries, should be used as a basis. Commitments should also be made by industrialized and developing countries to pursue employment-creating

policies catering particularly for workers affected by changing trade patterns.

44. In view of the further slow-down in the manufacturing sector and in industrial employment in the developing countries, the Confederation strongly supported the idea that the interdependence of North and South meant that any recovery programme must be on a world scale. It therefore supported the target of the Second General Conference of UNIDO, held at Lima in 1975, of increasing the share of the developing countries in total industrial production to at least 25 per cent by the year 2000. It was therefore making every effort to press for the adoption of more effective development policies for the countries of the South.

45. In that spirit, the International Confederation of Free Trade Unions was making available to the delegations represented in the Council its 1982 World Economic Review, which contained a series of suggestions for measures to stop the world recession. Trade unions had a duty to work for economic growth throughout the world and were prepared to play a constructive role in economic development; if economic policies were to be successful, they must be worked out with the support—and sometimes the criticism—of trade unions.

The meeting rose at 12.40 p.m.

40th meeting

Wednesday, 14 July 1982, at 3.15 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.40

In the absence of the President, Mr. John R. Morden (Canada), Vice-President, took the Chair.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments *(continued)*

1. Mr. BHATT (Nepal) said that the *per capita* output of the developing countries as a whole, which had fallen in 1981 for the first time in the post-colonial era, was likely to decline further in 1982. The weakness in commodity trade, rising protectionism and high interest rates meant that international trade had ceased to be a factor inducing growth in the developing countries. His delegation hoped, therefore, that the ministerial meeting of GATT, to be held in November 1982, would devote its attention to those issues in particular and would ensure a commitment to the rules of the General Agreement on Tariffs and Trade and to freedom of trade
2. Official development assistance had fallen well below

its target. Attitudes towards aid policies had hardened, and in real terms the volume of concessional assistance was static. The escalating debt burden of the developing countries, combined with high interest rates, had prevented additional financing from private capital markets. Multilateral financial institutions, such as IDA, needed to be able to increase their resources, so that they could play a greater part in the development efforts of developing countries.

3. For the poorest countries, the question was no longer development but survival. They had been forced to adopt restrictive economic policies and to cut back severely their expenditure in the social sector and investment in development. Yet, a small fraction of the amount spent annually on armaments throughout the world, if used constructively, could make the difference between development and survival. He commended in that connection the work of the Committee for Development Planning at its eighteenth session. The immediate and long-term measures suggested in the Committee's report (E/1982/15 and Corr. 1 and 2) as elements of a wide economic recovery programme should be acted upon.

4. Nearly three years had passed since the need had been accepted for global negotiations. Each time an important meeting was held, at Cancún, Ottawa or Versailles, a glimmer of hope emerged, but each time the deadlock continued. He appealed to the developed countries to join in the common effort without delay, so that specific measures could be taken to achieve the objectives of the new international economic order.

5. The Conference on Economic Co-operation among Developing Countries held at Mexico City in 1976, had been a step towards realizing the concept of interdependence. Such co-operation was making progress, despite severe constraints. It could not, however, be a substitute for dialogue and co-operation between North and South.

6. The recent United Nations Conference on the Least Developed Countries had been an important event for Nepal and other countries in a similar position. The Substantial New Programme of Action for the 1980s for the Least Developed Countries, which had emerged from the Conference, had embodied a commitment by the world community to rescue the least developed countries from their acute structural difficulties, so that by 1990 the criteria determining their status would no longer apply. It was incumbent on all Member States to see that the Substantial New Programme of Action was implemented in all its aspects.

7. On the question of finance for the various Programmes and funds of vital concern to the least developed countries, he noted that there was a serious shortfall in the resources of UNDP. The result had been a 38 per cent cut across the board for the third programming cycle, 1982-1986. UNDP was the United Nations' most effective organ for operational development activities; it had accumulated vast expertise and had proved itself a trustworthy partner. The shortfall would mean a cutback in the programme, which would seriously hamper the development efforts of many developing countries, and of the least developed countries in particular. He was, however, encouraged by the outcome of the twenty-ninth session of the Governing Council of UNDP in June 1982, in particular the agreements arrived at on the future role and structure of UNDP and on possible new and alternative ways of mobilizing financial resources for the Programme (see E/1982/16, annex I, decision 82/5). His delegation appealed for generous contributions to the UNDP Special Measures Fund for the Least Developed Countries.

8. A positive response from the entire world community was needed to mobilize sources for the various funds and programmes involved in United Nations operational activities on a predictable, continuous and assured basis. UNICEF and the United Nations Volunteers programme had adequate funds, but that might be only a temporary phenomenon; both had earned admiration for their efficient operations and should not be left to face an uncertain future. The United Nations Special Fund for Land-locked Developing Countries, the statute of which had been approved by the General Assembly in its resolution 31/177 of 21 December 1976, had met with a

very poor response and had been unable to start any operation worthy of the name.

9. The application of science and technology was essential for development. The recent meetings of the Intergovernmental Committee on Science and Technology for Development gave some grounds for optimism in that respect (see A/37/37). Differences on the question of funds and machinery seemed to be narrowing. In view of past disappointing experience with the Interim Fund and the United Nations Financing System for Science and Technology for Development, it would be more realistic not to expect too high a level of resources to start with. His delegation also believed that the long-term Financing System should be an autonomous body within the United Nations system, with operational links with UNDP. He hoped that a satisfactory formula for continuity and predictability would enable the System to be fully effective.

10. The United Nations Conference on New and Renewable Sources of Energy, the first of its kind, had brought a new awareness of the role of such sources. The Interim Committee on New and Renewable Sources of Energy, which had met at Rome in June 1982 to launch the implementation of the Nairobi Programme of Action had considered a number of related issues and recommended guidelines for the various United Nations organs and organizations (see A/37/47). It was a topic to which his delegation attached great importance. Nepal had no known deposits of conventional fuel but possessed a large renewable source of energy base in the form of hydro-power. A number of questions, such as those relating to finance, machinery and bilateral or regional arrangements, needed to be tackled and satisfactory solutions found, so that Nepal and other countries with similar energy endowments could progress in an appropriate direction.

11. Nepal also valued greatly the conclusions of the session of a special character of the Governing Council of UNEP, held at Nairobi in May 1982. The Declaration it had adopted had drawn attention to shortcomings in the fulfilment of the Action Plan for the Human Environment, adopted at Stockholm in 1972, including failure to appreciate the long-term benefits of environmental protection, lack of co-ordination and insufficient resources. Nepal was fully committed to environmental protection at the national level, and laws had been enacted and various programmes launched in the area of forest conservation and reforestation. National efforts, however, needed active international backing and support. Environmental problems knew no national boundaries and remedial action could brook no delay.

12. The Economic and Social Council was a vital organ of the United Nations. Under its aegis, measures and programmes of action were decided upon to guide Member States in formulating their national strategies, and action by United Nations bodies was initiated. The political will to secure its revitalization ought therefore to be forthcoming. Nepal for its part was fully prepared to co-operate in efforts to that end.

13. Mr. VRAALSEN (Norway), speaking on behalf of

Denmark, Norway and the observer delegations of Finland, Iceland and Sweden, noted that the prolonged slow-down in economic growth now affected all major regions and groups of countries, but that for the developing countries the past few years had been especially disruptive. Acute balance-of-payments difficulties had forced most of them to make sharp adjustments, which had further reduced growth. The *per capita* real income of the developing countries as a whole had declined for the first time in more than 30 years. The low-income countries, particularly those in Sub-Saharan Africa, gave special grounds for concern. Many of their Governments had been unable to satisfy even the basic needs of their peoples. The Secretary-General had rightly pointed out the danger that arose from depriving people of hope over long periods.

14. Although in the developed countries there was machinery to protect people against some of the most severe effects of economic setbacks, those countries also faced a great challenge. Record unemployment was coupled with a high rate of inflation and considerable balance-of-payments difficulties. As a result, there had been a tendency to move away from international co-operation towards unilateral action based on self-interest. Yet it had become increasingly clear that no country, large or small, could solve its economic problems alone, and thus the need for co-operation through existing international organizations was evident. Those institutions had served the international community well throughout the post-war period and should play an even larger role in the current difficult situation.

15. From the outset, the Nordic countries had supported the proposal to launch a new round of global negotiations covering all major economic fields. They had found the draft resolution circulated by the Group of 77 in March 1982 helpful and a good basis for consultation. It had been agreed at the summit meeting at Versailles that a limited number of amendments should be proposed to the draft resolution, with a view to a general consensus, but the efforts made in New York in June 1982 to reach agreement had failed. Political commitment to the global negotiations had frequently been reaffirmed at the highest levels and ought to provide a sufficient basis for bridging the remaining differences when the consultations were renewed. Other negotiations on substantive issues should be seen as complementary to the global negotiations. Consultations on procedures and agendas should not be allowed to draw attention away from other urgent issues in the field of international economic co-operation.

16. It could have an important psychological impact if the Economic and Social Council were to subscribe to the goal of a co-ordinated world recovery programme as outlined by the Secretary-General and express support for some of the necessary means to arrive at that goal.

17. The Nordic countries attached the greatest importance to the maintenance of an open world trading system. The expansion of world trade was of fundamental importance both to the industrialized and the developing countries. The forthcoming ministerial meeting of GATT

to be held in November 1982 should concern itself primarily with containing protectionist pressures and stimulating world trade, and in particular with the trade problems of the developing countries.

18. The Nordic countries appreciated the innovative approach of the Secretary-General of UNCTAD to preparations for the sixth session of the United Nations Conference on Trade and Development. The provisional agenda represented a realistic approach which should pave the way for concrete results. He noted that the period for the fulfilment of the requirements for the entry into force of the Agreement Establishing the Common Fund for Commodities had been extended to September 1983. The extension was an indication of the lack of progress in international co-operation in commodity trade. The Nordic countries were concerned over the slow progress in the negotiation of international commodity agreements and hoped that advances could be made soon in implementing the Integrated Programme for Commodities.

19. The Nordic countries were deeply concerned at the increasing constraints on the international financial institutions. In the current situation, it was especially important that the volume of financial flows to developing countries should increase. The difficulties were mainly due to the performance of the largest donor, but it should not be allowed to set the pace for the rest. IDA urgently needed to re-establish its commitment authority, and the Nordic countries appealed to other donors to follow their example of releasing their full second and third instalments, through waiver or other mechanisms. They welcomed the decision to start negotiations on the seventh replenishment of the resources of IDA in autumn 1982, but since those negotiations could not be concluded in time for the beginning of the fiscal year 1984, it was to be hoped that the next annual meeting of the World Bank would succeed in finding a temporary solution on the basis of proposals for the establishment of an account for the fiscal year 1984 or a special fund. The solution must make it possible to maximize contributions to IDA while paying due attention to continuity and the principle of burden-sharing.

20. As major donors to UNDP, accounting for more than a fourth of the total contributions, the Nordic countries were concerned about the financial crisis it was facing. They welcomed the establishment of the Inter-sessional Committee of the Whole at the twenty-ninth session of the UNDP Governing Council, in accordance with its decision 82/5, and hoped that its special focus on long-term problems would result in a more assured flow of resources and a more effective programme. They urged all participants in UNDP to work for the best possible outcome, including an increase in their pledges in conformity with international development assistance targets.

21. The United Nations Conference on the Least Developed Countries had underlined the need to pay particular attention to the development problems of the poorest countries. The Nordic countries actively supported the idea of channelling an agreed share of

official development assistance, of 0.15 per cent of GNP, to those countries. They hoped all donors would make renewed efforts to achieve the 0.7 per cent target set in the International Development Strategy for the Third United Nations Development Decade within the proposed time and that an increasing share of assistance would be channelled to the least developed countries and other low-income countries.

22. The Nairobi Programme of Action adopted at the United Nations Conference on New and Renewable Sources of Energy was a significant contribution to the diversification of world energy supplies and the solution of the overall energy problem, in particular the problems encountered by the developing countries. The recent session of the Interim Committee had confirmed the consensus on the importance of new and renewable sources of energy, and multilateral and bilateral donors should take advantage of that consensus to take steps to promote the use of such resources.

23. The problem of creating a better environment was of immense importance to present and future generations. The session of a special character of the Governing Council of UNEP had revealed a strong consensus on the need to take environmental aspects into account in all development efforts. It had also emphasized that the problems of deforestation, land and water degradation and desertification must be tackled before it was too late.

24. Turning to the question of arrangements for humanitarian and disaster relief assistance within the United Nations system, he said that both short-term and long-term assistance was crucial for humanitarian efforts and the reconstruction of Lebanon. The Nordic countries had already contributed substantially to the relief efforts being undertaken by international organizations and were ready to give further assistance when it was called for. They hoped that assistance to Lebanon would be able to reach all the people in need.

25. In conclusion, he said that, in order to ensure that the Council was capable of performing the tasks entrusted to it in the Charter of the United Nations, members would have to reflect upon the opportunities for improving its working methods. Problems undoubtedly existed, and ignoring them would only diminish the Council's role. The Nordic countries appreciated the efforts made by the President of the Council in that respect and were prepared to participate in any deliberations aimed at making the work of the Council more effective.

26. Mr. KAMANDA wa KAMANDA (Zaire) said that the economic crisis, the political crisis and the crisis in international co-operation and solidarity had combined to paralyse the system of international relations. He had no doubt that "crisis" was the right term to use; to play down the situation could only hinder the vitally important debate on the real requisites for sustained recovery. In today's world, all were interdependent, and a global approach was required more than ever. The persistent malaise in the world economy was no cyclical phenomenon but a symptom of structural maladjustment and fundamental disequilibrium. The international economic

order that had prevailed since the Second World War was now incapable of meeting the requirements not just of the developing countries but of the industrialized nations as well. The developing countries suffered not only from a loss of export earnings potential, owing to inflation and monetary policies in the developed countries, but also from the lack of access to the latter's markets because of growing protectionism there. The system was both unjust and inefficient, and it was the developing countries, particularly the least developed, which had borne the brunt of the situation.

27. The desired structural changes in the world economy should include sectoral adjustments in the field of production, consumption and trade, so as to enable the developing countries to control the use of their resources and share in decision-making at the international level. But no progress had been made in that direction; the system of multilateral co-operation was faltering. Vast areas of the world faced poverty and economic decline; if current trends continued, more than 800 million people would be in a state of absolute poverty by 1990. It was becoming increasingly difficult, because of constant inflation, currency fluctuations, unemployment and flagging growth, to find the resources needed for urgent economic and social needs. Development assistance was at a standstill, as was the application of the International Development Strategy for the Third United Nations Development Decade. Voluntary funds to stimulate the vital role of international bodies as part of that Strategy were woefully lacking. Delays in implementing the Integrated Programme for Commodities had become routine. The additional resources needed for African refugees, to assist the countries of asylum and finance-related projects, had not been forthcoming. The global negotiations relating to international economic co-operation for development, the principles of which had been adopted by the General Assembly in 1979 in its resolution 34/138, had not been launched, for lack of requisite political will on the part of the developed countries.

28. At the same time, vast amounts—\$500 billion in 1980, \$600 billion in 1982 for the world as a whole, almost double the amount spent in 1970—were being spent on armaments, including nuclear weapons. The withholding of the vast funds available in the world from programmes to alleviate poverty, malnutrition and other large-scale social ills could not be justified. According to UNICEF, 17 million children would die during 1982 from malnutrition and preventable disease; and the International Labour Office had pointed out that, of the 115 million unemployed young persons in the world, three quarters were in the third world. The arms race was widening the gulf between the developed and developing nations, violated the principles of the Charter of Economic Rights and Duties of States and cast doubts on the sincerity of the assertions, by the major and nuclear Powers, that disarmament was their aim—the more so in view of the prosperity stemming from their armaments industry and the power such weaponry gave them over nations not possessing it. The lack of progress at the General

Assembly's twelfth special session (second special session devoted to disarmament) was disappointing.

29. The report of the Committee for Development Planning (E/1982/15 and Corr. 1 and 2) gave little cause for optimism. It noted, *inter alia*, that five more African nations had been added to the list of the least developed countries.

30. The reforms accomplished hitherto did not presage a coherent system enabling all countries to assert their economic, trade and financial interests. Truly multilateral relations depended on respect by all partners for codes of conduct which, in turn, must be flexible enough to meet contingencies. The maintenance of an outmoded system encouraged a return to bilateralism—which meant the law of the stronger. The Group of 77 had therefore proposed a new international economic order, including agreement on conciliation procedures of the sort necessary in a changing world.

31. The debate on representation and decision-making in international bodies, on the role of such bodies in world economic affairs, particularly in North-South relations and the global negotiations, was essentially a political one. The major Powers seemed reluctant to relinquish the political control they exercised through various bodies of the United Nations system; but the forum for debate on international political matters was the General Assembly, which the developing countries insisted was the organ competent to take decisions concerning the action of United Nations bodies, as it had more regard to the legitimate interests of all, pursuant to the principles of the new international economic order and the Charter of Economic Rights and Duties of States.

32. The establishment of a new international economic order called for the organization of economic relations among nations rather than reliance on market mechanisms, which took no account of man's basic needs. The countries of the North were invited to take up the challenge by launching the global negotiations, rather than clinging to the positions acquired in an earlier industrial revolution. It was to be hoped that the Versailles Declaration would mark the beginning of a genuine resolve by the industrialized nations concerned to undertake global negotiations based on the Group of 77's proposals.

33. The United Nations system should also be involved in the democratization and restructuring of international relations. In General Assembly resolution 3202 (S-VI), the Council had been requested to determine the conceptual framework and co-ordinate the activities of the United Nations bodies involved in implementing the Programme of Action on the Establishment of a New International Economic Order. But its role was being eroded by the worsening international situation, and it was sometimes even contested by certain specialized agencies. To the extent that the Council fulfilled the tasks set forth in Chapter IX of the Charter of the United Nations, any obstruction of its role challenged the General Assembly's authority. The powers of the specialized agencies had been conferred on them by the

General Assembly under the Charter, which meant that there were no grounds for opposing the structural changes required in some of them in order to promote wider economic and social progress. The responsibility lay with those Member States and agencies which wished to maintain the *status quo*. States should not adopt differing attitudes in the Council and in the specialized agencies; and the agencies should not act at variance with the objectives of the United Nations, if their role in multilateral co-operation was not to become subordinated to bilateralism.

34. If the Council, at its current session, could adopt the draft resolution on its revitalization (Conference Room Paper 1982/4), it would have made an important contribution towards an improvement in the current international economic and social situation. Among the draft resolution's more important features were: a focus on selected issues to facilitate action-oriented recommendations; the consolidation of similar or related issues under a single heading; the formulation of conclusions and the preparation of recommendations of a general nature; a review of the activities and programmes of organizations and other bodies of the United Nations system, sector by sector, in order to ensure that programmes were compatible and complementary; comprehensive reviews of operational activities within the United Nations system as a whole; concentration on trends in regional co-operation activities, particularly those concerning questions of interest to all regions, and their co-ordination, and on problems relating to inter-regional co-operation; restrictions on the establishment of new subsidiary bodies; and the limitation and condensation of documentation.

35. Mr. MEBAZZA (Tunisia) said that, at a time when the Council was seeking means to strengthen co-operation in accordance with the objectives of peace and security proclaimed in the Charter of the United Nations, the racist State of Israel was spreading death, destruction and terror in Lebanon in an attempt to exterminate the Palestinian people. The international community ought to have compelled the Zionist State to observe international law by withdrawing immediately and unconditionally from Lebanon and granting the Palestinian people their right to return to their homeland and establish a sovereign State.

36. The current world economic situation, which brought stagflation and unemployment for the developed countries and poverty, debt and persistent underdevelopment for the developing countries, gave no grounds for optimism. Conditions were worse than at any time since the 1930s, and the vulnerability of the developing countries' economies had made them even more dependent on the developed nations. In 1981 their GDP growth rate had been some 0.6 per cent, representing a decline in real terms *per capita* for the first time since the 1950s.

37. The crisis was caused by structural, not market, conditions. Protectionism was growing in a number of developed countries; terms of trade for commodity exporters were worsening; official development assist-

ance had levelled off or even diminished, despite the acceptance of certain targets, thus paralysing some developing countries' efforts. Contributions to UNDP had fallen by 25 per cent in real terms between 1980 and 1982. Ironically, the arms industry was expanding; \$1 million per minute were being spent on instruments of death and destruction; yet, at the same time, high interest rates made recourse to the capital market suicidal for developing countries, particularly those not eligible for official development assistance.

38. The value of collective action in response to the problems seemed to have been forgotten; there were only individual self-rescue actions by isolated States, and a resurgence of bilateral, rather than multilateral, co-operation agreements. The North-South dialogue had come to a halt, and the proposal for global negotiations, adopted by the General Assembly in 1979 in its resolution 34/138, had so far come to nothing, despite some convergence of views on the subject. The global negotiations were exceptional both in their significance and in their scope and should be subject to no reservations. There must be universal, open and equal dialogue in discussing all matters on the agenda and in taking all decisions; otherwise, the negotiations would become but another item on the list of unsuccessful United Nations efforts—like, for example, the United Nations Financing System for Science and Technology for Development and the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy.

39. One positive step had been the new impetus given to South-South co-operation through the adoption of the Caracas Programme of Action on Economic Co-operation among Developing Countries, which should help the developing countries to attain their objective of collective self-reliance.

40. The Secretary-General's proposal that the international community should launch a concerted programme for world economic recovery was a laudable one. Such a programme ought to make possible sustained world economic growth by means of a wide range of measures to combat inflation, liberalize trade, revive and stabilize commodity markets and provide for international and monetary co-operation and the supply of capital and technology to the developing countries. It should also deal with long-term structural matters, such as world food security and energy questions. It should, moreover, form part of the restructuring of international economic relations and the establishment of the new international economic order; otherwise, its scope would be limited to short-term emergency measures.

41. It was high time that genuine political will was evinced in the form of concerted action to bring the North-South dialogue out of the impasse of recent years, before it was too late; urgent action was needed to help the hundreds of millions in Africa and Asia still suffering from hunger, disease and absolute poverty.

42. Mr. IJEWERE (Nigeria) said that the past year had witnessed the worst slow-down in overall economic growth in recent history, in developed and developing

countries alike. The stagnation in world trade in 1981, resulting partly from growing protectionism in the developed countries, crippling high interest rates and the worsening terms of trade had further aggravated the external indebtedness of the developing countries and virtually destroyed their growth prospects. Their *per capita* output as a whole had fallen for the first time since 1950. The weaker countries were the worst affected and for the poorest of them the first priority was no longer development but survival.

43. As the least developed and hence the most vulnerable region of the world, Africa was in a particularly serious plight. Even on optimistic assumptions, the average growth rate of the developing countries of Africa for the 1980s was unlikely to exceed 0.1 per cent. The report of the Committee for Development Planning on its eighteenth session (E/1982/15 and Corr. 1 and 2) showed that five more African countries were being recommended for inclusion in the list of the least developed countries. A situation in which Africa accounted for a mere 0.2 per cent of world industrial production—far short of the target proposed in the Lagos Plan of Action—was clearly unacceptable. The annual report of ECA (E/1982/21) indicated that as many as 22 African countries had, in 1981, suffered critical food shortages, which had not only exacerbated the problem of malnutrition but had also increased the region's dependence on food imports, which were a serious drain on foreign exchange reserves. It was therefore not surprising that Africa's total external debt had reached a new height of \$47 billion, at a time when net resource flows to the region had declined by about 5 per cent in real terms.

44. Immediate action must be taken to remove the external constraints affecting the economic prospects of all developing countries. It was a paradox that the spirit of international co-operation was flagging at a time when such co-operation was exactly what was required; to produce a revival of the world economy, the strong must co-operate with the weak, the rich with the poor, the great with the small and the North with the South. Yet the proportion of official development assistance channelled through multilateral institutions was shrinking; UNDP resources in real terms had declined in 1981; and IDA lending might have to be cut by almost a third because of the reluctance of certain donors to honour their original commitments. In the interest not only of the developing countries, whose need for additional financial resources was most pressing, but also of the positive impact which an accelerated development of developing countries could have on the developed countries, his delegation urged the developed countries concerned to change their attitude.

45. If lasting answers were to be found to the problems of the world economy, they would not lie in unilateral measures, which had proved counter-productive. On the contrary, concerted international action would be needed in practically all fields. Such action must include specific measures to promote world trade, and particularly the exports of developing countries. Serious efforts should be made to bring about a substantial increase in financial

flows on favourable terms and conditions from developed to developing countries, to facilitate the acquisition of technical expertise by developing countries, to promote their self-reliance in agricultural and food production, and to enable them to make the rapid advances in industrialization essential for self-sustained development.

46. There were several areas in which greater efforts could be made to speed up progress in international negotiations. For example, if the developing countries received international co-operation in the development of their own scientific and technological capacity, through the faithful implementation of the Vienna Programme of Action on Science and Technology for Development, that would not only serve those countries but would also lead to scientific and technical advances from which all countries could benefit. His delegation hoped that agreement would shortly be reached on the long-term arrangements for the United Nations Financing System for Science and Technology for Development.

47. Nigeria welcomed the fact that the Intergovernmental Working Group had completed its work on the formulation of a code of conduct for transnational corporations, although some further work appeared necessary before there could be a fully satisfactory and comprehensive code, a major desideratum of the developing countries. His delegation hoped that the Commission on Transnational Corporations, at its forthcoming session, would treat the matter with the urgency it deserved.

48. The time had come for certain developed countries to cease paying mere lip-service to the liberalization of international trade. The contraction of world trade adversely affected every country. A matter of particular concern to developing countries was the instability of international commodity markets. The developed countries could not hope to reap more than short-term gains from the current low prices for the developing countries' commodities, since substantial shortfalls in export earnings had curtailed those countries' demand for goods from developed countries. The negotiation of a number of international agreements to stabilize commodity prices should be speeded up.

49. Protectionist measures had been increasing in the developed countries, to the detriment of the developing countries' exports, despite the fact that they were against the interests of the developed countries themselves, which could benefit from investing in areas in which they enjoyed a comparative advantage. Those countries continued to resort to short-term policies rather than to seek a permanent remedy in a process of structural adjustment. The time had come to call for a lowering of barriers in order to permit greater trade access for developing countries.

50. The GATT ministerial meeting, to be held in November 1982, was an opportunity not to be missed for the expansion of world trade, particularly for the developing countries. His delegation was following with keen interest the preparations for the sixth session of the United Nations Conference on Trade and Development,

to be held in mid-1983; those preparations would largely determine its success.

51. His delegation shared the view that efforts to improve the financial and monetary system need not await agreement on the long-term restructuring of the system, since immediate answers must be found to such pressing problems as the developing countries' huge debts and their need for substantial development finance. It supported a number of the suggestions made by the Committee for Development Planning on such topics as the early resumption of SDR issues, the need for increased programme lending, the further relaxation of conditions for a greater proportion of IMF resources and the stepping up of official development assistance towards the target of 0.7 per cent of GNP laid down in the International Development Strategy for the Third United Nations Development Decade.

52. Food and agricultural production was of the utmost concern to most developing countries, not least in the African region, which was currently experiencing acute food shortages. The international community could make a significant contribution to the efforts of developing countries in a number of ways, by increasing the flow of financial and technical resources.

53. The special needs of Africa had led in 1980 to a historic summit meeting, the second extraordinary session of the Assembly of Heads of State and Government of the Organization of African Unity, at which the Lagos Plan of Action had been adopted to promote the accelerated development and collective self-reliance of the African countries. The decade of the 1980s had been proclaimed as the Industrial Development Decade for Africa, and the international community had since then made a solemn commitment to support for Africa through the adoption of General Assembly resolutions 36/180, 36/177 and 35/66 B, on special measures for the social and economic development of Africa in the 1980s, the Transport and Communications Decade in Africa and the Industrial Development Decade for Africa, respectively. His delegation hoped that that commitment would be backed up by further support from the international community. The attempts in certain quarters to prescribe a one-sided development strategy had been unequivocally rejected by African States. It was therefore gratifying to note from a number of documents before the Council that the organizations of the United Nations system would continue to implement their various programmes for Africa in the light of the Lagos Plan of Action.

54. Regarding the revitalization of the Economic and Social Council, his delegation would support any realistic measures to enable the Council to perform its central role in the discussion of the economic and social development problems facing the international community.

55. The successful conclusion of the United Nations Conference on the Law of the Sea was generally regarded as a major achievement in international co-operation, particularly since the Convention that had been adopted reaffirmed that the resources of the ocean bed were the common heritage of mankind. His delegation hoped that

the countries still having reservations on the Convention would reconsider their stand and join in an important enterprise which could make a major contribution to world development.

56. Another important point was the effort of the developing countries over the past year to intensify their mutual co-operation on the basis of the Programme of Action adopted at Caracas in 1981. There was an encouraging momentum in the promotion of economic development and collective self-reliance through economic co-operation among developing countries. His country was strongly committed to that objective. Economic co-operation among developing countries, however, was not a substitute for but a complement to wider co-operation between the developed and developing countries. His delegation therefore attached considerable importance to the early launching of global negotiations. It hoped that flexibility on the remaining minor details would make it possible to launch such negotiations without further delay. Progress towards that goal should offer a historic opportunity to reshape the world for the betterment of developed and developing countries alike.

57. Miss JONES (Liberia) said that the world was confronted with unprecedented problems which affected every citizen of every country. The very strategies that had been pursued with a view to providing a better life had become negative factors bringing untold misfortune to mankind. The same science that could prolong human life had brought about the world population explosion and given rise to the problem of sharing scarce resources among greatly increased numbers of people. Governments had become frustrated in their efforts to plan for such vast numbers, for which adequate statistics were difficult to find. The only body to which such problems could logically be brought was the United Nations, which would have to seek new and imaginative measures in order to deal with them. The long-held belief that everything bigger was better was not necessarily true. Smaller-scale planning and implementation still formed a useful strategy that could contribute to a world recovery programme.

58. It was paradoxical that, in the days when man had had fewer material comforts, he had been a better neighbour. Human attitudes were difficult to change, and any change took a great deal of time. Meanwhile, blind reliance on the world monetary system could not solve all man's economic and social problems. There were other means that could be used. For example, foreign aid might be given in the form of expertise and skills rather than of financial assistance. With the necessary political will on the part of Member States, the proposal for a world peace corps could make a vital contribution.

59. Given the gaps between needs and resources, only the united action of all peoples of the world could provide the necessary planning and services. The United Nations would have to face up to the challenge and launch global negotiations in an endeavour to bridge the gap between rich and poor. The Council's goal was to bring happiness to all mankind by the alleviation of human misery and

deprivation. In order to do so, it would have to shake off the straitjacket of traditional attitudes. For example, man had become dependent on hydrocarbon energy, but the reserves were finite; the sources for the satisfaction of man's energy requirements must thus be diversified.

60. The strategy her delegation recommended for development was that global negotiation should be approached through regional negotiation. World-wide development models were unsuitable, although the developing countries, which had neither the necessary capacity nor the resources, were striving to copy them almost blindly. Were there not substitutes for those models, on a more limited scale, which nations could apply as they were able to afford them?

61. Another area of concern was the development of trade at the internal, regional and world levels. To stimulate trade, there was a need in many developing countries to identify market opportunities and the gaps which they themselves could fill when traditional trading partners were unable to do so. The strategy of comparative advantage should be a flexible tool in the development of internal and external trade.

62. One of the greatest problems to be faced by the developing countries in a world recovery programme was to correct errors found throughout the world as a result of unplanned or poorly planned economic development. In the present disastrous state of the world economy, even those areas which had achieved some success appeared suspect, which made it impossible to establish new priorities. If prestigious projects were necessary, her delegation appealed to the rich nations of the North to balance them with an equally generous investment in international development assistance.

63. One of the United Nations agencies best equipped to play a major role in world recovery was UNDP. Her delegation therefore supported the Administrator's recommendation for a United Nations peace corps, whose task would be to prepare global economic development models on a scale appropriate for developing countries.

64. With regard to the need to revitalize the Economic and Social Council, it was essential to ensure a speedier response than in the past by UNDP and related agencies to the development plans and projects of each developing country. The technological needs of developing States varied and a technological package should be designed by UNDP and related agencies for each country. Emphasis should be on intermediate technology rather than expensive capital-intensive technology.

65. Her delegation wished to place on record its profound gratitude to the Secretary-General and the United Nations system for their sympathetic approach and understanding of the grave socio-economic problems existing in Liberia and for the generous responses of the world community. It hoped that the report of the Secretary-General (A/37/123) and his recommendations for the recovery of the Liberian economy would be approved not just as a gesture of co-operation to a particular country but as an important step in the world economic recovery programme as a whole.

66. Mr. BOYD (United Kingdom), speaking in exercise of the right of reply with regard to the statement made by the representative of Argentina at the 39th meeting, said that, on 2 April 1982, Argentina had chosen to ignore a call by the Security Council to refrain from the use of force and had invaded the Falkland Islands. That action was clearly contrary to the provisions of the Charter of the United Nations concerning peaceful settlement and the non-use of force and to the principle of the self-determination of peoples. As far as the principles of the movement of non-aligned countries were concerned, all but one of the non-aligned members of the Security Council had voted in favour of Security Council resolution 502 (1982), which had declared Argentina to be responsible for a breach of the peace and demanded the withdrawal of Argentine forces.

67. As for the charge of colonialism, it was nonsense. The Falkland Islanders were a people, a permanent population, qualifying, as others did, for the right to self-determination, embodied in the Charter and the International Covenants on Human Rights. Neither history nor sovereignty disputes could override that. The people of the Falklands had endorsed their system of government in fair and free elections, and the United Kingdom had fulfilled its obligations under Article 73 of the Charter.

68. The Argentine invasion had taken place shortly after the first round of new talks between the two countries, which had resulted in the communiqué issued in February 1982, to which the Argentine representative had put his name. It was Argentina that had broken off the negotiations and resorted to force. After the invasion by Argentina, the United Kingdom Government had taken part in good faith in lengthy discussions aimed at a peaceful solution to the crisis. Their failure was the responsibility of Argentina.

69. It was not a North-South issue. Few Member States failed to understand the principles at stake. The United Kingdom was entitled to resist the illegal use of force, and Security Council resolution 502 (1982) had made it quite clear who had been the invader.

70. As to the economic aspect, the representative of Argentina had referred to a variety of measures taken in response to those events. Those measures had been taken in the light of the facts with which Security Council resolution 502 (1982) was concerned. They had been appropriate to the situation and fully justified in ethics, politics and law.

71. Mr. TE (Observer for Democratic Kampuchea), speaking in exercise of the right of reply, regretted that the representative of the USSR had chosen at the 38th meeting to make provocative allegations against his country. That representative had referred to an announcement made by Moscow, and more recently by Hanoi, concerning a so-called "partial and unilateral withdrawal" of Soviet and Vietnamese troops from Afghanistan and Kampuchea respectively. In fact, two important recent events in Kampuchea had caused the aggressor to make such a manoeuvre: his defeat in the field during the last dry-season offensive, which had

resulted in considerable loss of life, and the formation on 9 July 1982 of the coalition Government of Democratic Kampuchea composed of all national forces opposed to foreign aggression. It was against that military and political background that the Vietnamese occupier, who was completely isolated, sought to deceive the world by announcing a so-called "partial and unilateral withdrawal".

72. The USSR representative had also said that the aggressor demanded that the international community should discontinue its support of the people of Kampuchea and recognize the Vietnamese administration installed at Phnom Penh. In fact, what the aggressor was demanding was nothing less than a reward for aggression.

73. His delegation was one of those which had expected from the Soviet Union, a great country, positive contributions designed to resolve the current international economic crisis. Unfortunately, that was not the case. The representative of the USSR had enabled members to understand why the Russian people continued to lack grain and why the chemical and biological weapons used in Kampuchea were manufactured and provided by the Soviet Union. That was the real point behind the announcement of a so-called "partial withdrawal". Without the \$6 million furnished daily by Moscow, the Vietnamese occupation would not have lasted so long and without the presence of 250,000 soldiers and thousands of Vietnamese administrative personnel in Phnom Penh, the puppet administration would have been unable to remain in existence for a single day.

74. Mr. TERREFE (Ethiopia), speaking in exercise of the right of reply, referred to the allegations made against his country by the observer for Somalia (39th meeting). It was well known that armed aggression and repeated provocations had always come from Somalia and not Ethiopia. The entire world knew that Ethiopia had been a victim of a series of unprovoked attacks by successive régimes in Somalia, resulting in the death of thousands of innocent citizens in Ethiopia.

75. Ethiopia respected the national unity and the territorial integrity of all States and was not in the habit of making wild and unsubstantiated accusations, as did the régime of Somalia in order to cover its own internal weaknesses, including economic bankruptcy, political disintegration and the mass persecution of religious, student and military leaders. Ethiopia was against acts of aggression and interference in the internal affairs of other States. Like all developing countries, it desired peace and tranquillity in order to tackle its own pressing economic and social problems.

76. It was therefore strange to hear the observer for Somalia, whose régime had committed such naked aggression against Ethiopia, condemn that country. It was not only Ethiopia but all peace-loving peoples of the world that strongly condemned Somalia's adventurist ambitions and repeated acts of armed aggression.

77. Mr. REPSDORPH (Denmark), speaking in exercise of the right of reply on behalf of the member States of the European Economic Community, said that

the Council of the European Communities had decided to suspend the economic measures adopted by it vis-à-vis Argentina as from 22 June 1982, in the expectation that there would be no further acts of force in the South Atlantic area. The Community and its member States hoped that hostilities had finally ceased in the region.

78. Mr. OSMAN (Observer for Somalia), speaking in exercise of the right of reply, said that his delegation categorically rejected the malicious allegations made against his country by the representative of Ethiopia, who had tried to misrepresent the current situation in the Horn of Africa. He had given a distorted picture of the Somali Government's position in an attempt to mislead public opinion with regard to the repression and genocidal war taking place in Ethiopia itself.

79. He rejected the allegation that a handful of dissidents in Somalia was waging a war against the Somali Government. Ethiopian troops, supported by experts from a super-Power, had been actively involved in the fighting, which had resulted in considerable loss of life and property.

80. Ethiopia had denied the existence of refugees. However, the fact that millions of refugees had fled from Ethiopia itself was evidence of the repression taking place in that country.

81. Mr. MARTINEZ (Argentina), speaking in exercise of the right of reply, said that it was only through the colonial system that a European Power could maintain itself in a territory 12,000 km away which had been taken by force from the Argentine Republic. It was clear that the Malvinas had been included by the United Kingdom in the list of dependent territories in respect of which it reported to the Assembly under Article 73 of the Charter.

82. It was easy to use high-sounding principles to justify aggression. His Government had replied to the arguments advanced by the United Kingdom in the Security Council and elsewhere.

83. The statement made by his delegation at the 39th meeting had been intended to demonstrate the illegality of economic aggression for political reasons. Nothing in

the reply of the United Kingdom representative nor in that of the representative of Denmark, speaking on behalf of the European Economic Community, had contradicted the Argentine statement. The objective of the large-scale military operation undertaken by the United Kingdom against Argentina had been to restore a military situation. The countries and organizations which had imposed sanctions against his country had done so exclusively for political reasons and had affirmed as much on several occasions. Under the Charter of the United Nations, however, only the Security Council could impose valid sanctions. It was clear that Security Council resolution 502 (1982), proposed by the United Kingdom, did not authorize that country to become the armed agent of the Council, nor had the Council provided for the imposition of sanctions against his country. The application of economic sanctions against Argentina was clearly illegal economic aggression, with the aim of maintaining the violation of his country's territorial integrity. The Governments of Latin America and the non-aligned movement had recognized that fact and the Economic and Social Council, as a principal organ of the General Assembly, could not ignore the question of economic aggression, of which, moreover, Argentina was not the sole victim.

84. Mr. TERREFE (Ethiopia), speaking in exercise of the right of reply, said that his delegation condemned the attitude shown by the observer for Somalia and rejected the allegations made by him.

85. Mr. OSMAN (Observer for Somalia), speaking in exercise of the right of reply, said that in his earlier remarks, he had merely been stating facts. A Government like that of Ethiopia was not in a position to condemn others for the persistent violation of international principles or to claim that it was peace-loving while it was actually engaged in committing aggressive acts against Somalia. The Ethiopian representative could not deny the facts of history.

The meeting rose at 6.05 p.m.

41st meeting

Thursday, 15 July 1982, at 10.40 a.m.

President: Mr Miljan KOMATINA (Yugoslavia)

E/1982/SR.41

In the absence of the President, Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments
(continued)

1. Mr. STANOVNIK (Executive Secretary, Economic Commission for Europe) said that, since he would soon be leaving his post as Executive Secretary of ECE, which he had held for 15 years, he would take the opportunity to review the Commission's work and to refer to the problems confronting it against a broader background than that normally adopted in reviewing the past year.
2. From the point of view of region-wide co-operation,

the Commission today was faced with a dual challenge, at once political and economic. The political problem was understandable, since the region was particularly sensitive to the slightest deterioration in political relations between the member countries. The economic difficulties, although not the same in the socialist countries and in the market-economy countries, occurred simultaneously and therefore had a more than proportional effect on the entire region. In his opinion, those difficulties were of a structural and not a cyclical nature, and accordingly they called for different remedies than the simple traditional measures of adjustment. It might well be that at present the member countries of ECE would have to consider fundamental measures of reorganization and adaptation. For that reason, it would be well to analyse the difficulties in question in their historical context.

3. Over the 1970s, the Commission had known its "finest hour"; in 1967, at the commemorative meeting to celebrate its twentieth anniversary, it had adopted a declaration which had marked the beginning of a new era in multilateral co-operation, after a prolonged period of rather cool relations. Shortly afterwards, the process of "detente" had begun, resulting in the middle of the 1970s in the organization of the Conference on Security and Co-operation in Europe, which in its Final Act had explicitly assigned to the Commission the role of a privileged forum for multilateral co-operation in the fields of economics, technology and the environment.

4. Co-operation had been most intensive in the economic field, and it was in East-West trade in particular that progress had been most tangible and growth had been most dynamic in both directions; the value of East-West trade had increased from less than \$3 billion in 1955 to nearly \$100 billion at present. No doubt the share represented by inflation had to be included in that increase, but the volume of Western exports to Eastern countries had nevertheless increased during the 1970s by nearly 8 per cent annually, whereas total Western exports to market-economy countries had increased by about only 6 per cent annually during that period. The increase undeniably owed much to the very many trade agreements which had been signed; at the present time, there were 288 of them in all.

5. Region-wide co-operation had also intensified in two fields which during the same period had given primary cause for concern: the environment and energy. With regard to the environment, mention should be made of the signature in 1979 of the Convention on Long-range Transboundary Air Pollution, and the adoption of a Declaration of Policy on Prevention and Control of Water Pollution, including Transboundary Pollution, and a Declaration of Low and Non-waste Technology and the Re-utilization and Recycling of Wastes. In the field of energy, co-operation of the traditional type in sectors such as gas, coal and electric power had been extended to the general problems of energy, and since 1980 the countries of the region had been exchanging information and carrying out joint projects, in particular for energy conservation. East-West trade in energy and energy carriers had also increased considerably, and at the

present time they accounted for 15 per cent of the total volume of energy imports from Western Europe. New agreements were being negotiated, and that type of trade would continue to develop.

6. In the field of transport, the past 15 years had been devoted to the establishment of a truly region-wide infrastructure. The negotiations carried out within the framework of the Commission had resulted in the adoption of many conventions and many regulations relating to road signs and signals, safety standards, the transport of dangerous goods, motor vehicle construction, the Customs Convention on the International Transport of Goods under cover of TIR carnets (TIR Convention) and the North-South Trans-European Motorway (TEM) project. Similarly, multilateral co-operation in the Commission had led to the adoption of a common language in the field of statistics.

7. To sum up, the 1970s had been characterized by the establishment of a solid region-wide co-operative infrastructure. East-West economic relations were no longer of a marginal or sporadic nature; they were much less sensitive to variations in the political climate. Moreover, it could now be stated that the links of economic co-operation forged between the countries members of the Commission were actually strong enough to resist a certain cooling in political relations.

8. Nevertheless, there was still a certain imbalance which was the cause of the present difficulties and, if not resolved, might represent an obstacle to the further expansion of co-operation. In particular, East-West trade was unbalanced because the demand for imports was greater in the East than in the West. The result of that was a considerable debt burden for the socialist countries. Debt servicing alone was at present absorbing one fourth of the foreign currency possessed by the socialist countries, which placed a severe limitation on their importing capacity.

9. The composition of East-West trade too was insufficiently diversified, in so far as the Western countries imported mainly commodities, whereas the Eastern countries imported mostly manufactured articles. That was a weakness whose effects were already being felt and which would have to be remedied in the years to come. It should be possible to develop trade immediately in highly technology-intensive goods which did not seem to suffer as much as the other production sectors from the ups and downs of the market. At the present time, Western Europe and North America possessed 80 per cent of the world's technological and scientific resources, which opened up wide prospects for that kind of trade.

10. In his statement at the opening of the Council's second regular session of 1982 (30th meeting), the Secretary-General had referred to the assistance which the regional commissions should give to every programme for global recovery, and it was an approach of that kind which he himself would like to see in East-West economic co-operation. The countries members of ECE should join together in an effort to bring about a structural adjustment of the world economy and not just of the European economy. That economic strategy

implicitly contained a political dimension. In the 1970s, the consolidation of economic relations had been encouraged by the political climate. Today, those relations were based on solid foundations, and by restoring the necessary confidence, economic co-operation could create a more propitious political climate for widespread recovery.

11. Fifteen years earlier, addressing the Council for the first time in his capacity as Executive Secretary of ECE, he had observed that in the last analysis the destiny of Europe was inseparable from that of the whole world and vice versa. He had gone on to say that Europe should abandon a passive attitude, commit itself to direct action and behave as a fully-fledged member of the world community. Fifteen years later, reviewing the Commission's successes and failures, he had expressed the opinion that the Commission could have and should have done more for the developing world. No doubt the Commission was only regional in scope, but, within the framework of the Council, it was also called upon to assist in the solution of world problems. However, East-West problems and North-South problems were closely connected, as were those of disarmament and development. In order to work usefully for the establishment of a more just world, those basic links must be understood and recognized. He would continue to promote that understanding.

12. The PRESIDENT, speaking on behalf of the Bureau, paid a tribute to the Executive Secretary of ECE, who at the end of his term of office had just addressed the Council with his usual lucidity, relevance and frankness. Within the framework of ECE, the Executive Secretary had contributed towards consolidating East-West relations. In the General Assembly, where, in his capacity as representative of Yugoslavia, he had done a great deal to encourage the creation of UNCTAD, he had been a devoted champion of North-South co-operation. If he had not completed all the work he had had in mind, he had at least shown the way.

13. Mr. AL-ATTAR (Executive Secretary, Economic Commission for Western Asia) said that regional developments could not be seen in isolation from the current international order, which was now facing a severe crisis at the economic and political levels, from which the countries of the ECWA region had not escaped.

14. Faced with the rising prices of manufactured articles produced in the developed countries, the non-oil-producing countries and the least advanced countries had had increasing difficulties in financing their imports, and above all in purchasing the goods and equipment needed for their development. As a result, their balance-of-payments deficits had become more serious. Moreover, spiralling interest rates had increased the cost of borrowing and consequently jeopardized the implementation of those countries' development plans. The ECWA oil-producing countries had invested a large portion of their surplus oil revenues in financial and other assets in the developed countries, where poor economic performance had adversely affected those investments. In

addition, they had felt the direct effects of the glut on the international oil market which had emerged in 1981. The OPEC countries had expressed their determination to put an end to the glut by reducing production, but if the recession persisted in the developed countries, the reductions might prove to be insufficient. The corresponding decrease in revenue could then have very serious effects on the development prospects of the whole region, since the non-oil-producing countries of the region would experience a decrease in the spill-over from oil revenue and in the financial aid they were receiving. In that respect, it should be mentioned that, in spite of the decrease in oil revenues, a gradual increase could be observed in financial aid in the countries of the third world; the ECWA region itself and the entire Arab world were continuing to absorb a large part of the financial aid coming from the region, but the share going to beneficiaries in other regions of the world had increased rapidly during the past few years. Moreover, the ECWA countries had intensified their participation in measures and plans aimed at improving the functioning of the present international financial system.

15. The international community, aware of those structural imbalances in the world economy, had continued its efforts to redress the balance. In that respect, mention should be made of the Cancún summit meeting, which had at least offered a political umbrella for launching new global negotiations, and the United Nations Conference on the Least Developed Countries, which had culminated in the adoption of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. The Commission had closely followed that development in the international situation. It had expressed its complete willingness to participate in and contribute to those efforts, at both the global and the regional level. Currently, it was providing all assistance possible to the least developed countries of the region in order to facilitate the implementation of the Substantial New Programme of Action.

16. Although closer economic relations between the countries of Western Asia were being forged only slowly, some progress had recently been made. At the sub-regional level, the Gulf Co-operation Council had been formed to guarantee the security and stability of the subregion. Its implications for economic co-operation in the region could not be minimized, in view of the economic power represented by its members. In addition, attention should be drawn to the adoption by the Arab Economic and Social Council of a new convention for facilitating and developing trade between Arab States, and to the progress made in joint ventures among ECWA countries. Five important industrial joint venture projects had been launched in the Gulf region during 1981. Similar projects had also been started in the banking sector, and the Arab banking institutions were providing a major stimulus to the Bahram Banking Centre, which had begun to recycle a sizeable, though still small, portion of the oil revenue surpluses of the ECWA countries.

17. The economy of the ECWA region had continued to grow in 1980 and 1981, but at a slower rate than in 1979

because of slower increases in oil prices together with a reduction in output, and because of inflation and the economic recession in the developed countries. The growth rates of the non-oil-producing countries had increased, thanks to favourable domestic economic conditions, especially in Jordan and the Syrian Arab Republic. On the other hand, there had been a setback in the least developed countries, mainly due to deterioration in the domestic agricultural situation.

18. In addition to the annual results, two major issues continued to face the countries of the region: labour shortage and human resources development. The oil-producing countries had a steadily growing need for manpower for their development, especially in the highly skilled categories, and the number of migrant workers had reached 2.3 million in 1981, or 10 per cent of the labour force and some 3 per cent of the total population of the region. Human resources development was therefore still an area of major concern in the ECWA region and was among the major objectives of the development plans of all the countries in that region.

19. The Commission had held its ninth session at Baghdad, where the ECWA secretariat now had its permanent headquarters. Before the session, an *Ad Hoc Intergovernmental Expert Committee* had met to study the medium-term plan for the period 1984-1989. It had identified priority areas in line with the International Development Strategy for the Third United Nations Development Decade, the recommendations of the Symposium on the Arab World in the Year 2000, held in Morocco in 1980, and the decisions of the Eleventh Arab Summit Conference, held at Amman in the same year. In addition, the participants had recommended the establishment of the first subsidiary body of ECWA, the Standing Committee for the Programme. Resolution 114 (IX) adopted by the Commission on that subject was being submitted to the Council for consideration and appropriate action. Another resolution (107 (IX)), concerning international assistance to the flood-stricken areas of Democratic Yemen, also called for action by the Council. Moreover, the Commission's report on its ninth session (E/1982/22) contained a summary account of its deliberations on other issues.

20. He had just arrived from Beirut, overwhelmed by the tragedy of a city which had been under siege for a month, was lacking in absolutely everything, and unfortunately did not seem to be receiving the assistance from the world which it so greatly needed. He himself had supervised the evacuation of the 40 members of the ECWA secretariat who had still been in Beirut; it had been extremely difficult, since he had had to negotiate in trying conditions with the various opposing forces. He thanked the Lebanese Government, which had extended its hospitality to the ECWA secretariat for several years and had not been sparing in its assistance and aid so that it could carry out its functions in favourable conditions. He also thanked the Iraqi Government, which had facilitated the transfer of the secretariat and had also furnished all the assistance and support needed.

21. Mr. IGLESIAS (Executive Secretary, Economic

Commission for Latin America) said he would like first to inform members of the Council about the effective work carried out by the Caribbean Development and Co-operation Committee, which periodically brought the member States of the region together to promote co-operation. Specially action-oriented programmes should be envisaged in the present very difficult period for the economies of those countries, some of which were very young. Secondly, he wished to draw the Council's attention to the implementation of the first integrated horizontal co-operation programme between Africa and Latin America. The first joint meeting of government experts from Africa and Latin America, held at Addis Ababa in June 1982, had led to the preparation of an extremely interesting programme of joint activities. The Executive Secretaries of ECLA and ECA considered the reaction of the African and Latin American countries to be very encouraging.

22. The world was undoubtedly going through a structural economic crisis. Declining economic growth in the industrialized countries, persistent unemployment, and above all the new phenomenon of the rise in interest rates, had given rise—particularly in the developing countries—to a climate of uncertainty which was prejudicial to the preparation of their policies and obviously had an impact on all the countries on the periphery of the world economy.

23. That situation affected the countries of the region in many ways. First, weak demand in the industrialized countries, and particularly the drop in investment rates, had had a considerable impact on the terms of trade of non-oil-exporting countries in Latin America, which had declined by 30 per cent between 1978 and 1980 and by a further 11 per cent in 1981. The prices of products that were important to the Latin American countries, such as copper and many others, were lower than they had been for 40 years, as a result of the decline since the previous year, those countries had lost or transferred abroad \$5 billion. Secondly, since the countries in the region were heavily in debt, every time interest rates went up by one point, the Latin American countries had to transfer about \$1 billion in supplementary interest abroad. Thirdly, the restrictive policies practised by the developed countries had led to a contraction in grants of public aid which was very serious for the countries in the region, heavily dependent as they were still on public financial flows. Fourthly, as already emphasized by the representatives of several countries in the region, the resurgence of protectionism had renewed the danger of a trade war which would be disastrous not only for the industrialized world but also, and indeed above all, for the countries which, like those of Latin America, had adopted an active, dynamic and outward-looking policy.

24. As a result of the foregoing, 1981 had been the worst year for the Latin American countries since the Second World War, and perhaps even since the depression of the 1930s. The gross product *per capita* had declined in 1981 and the overall product had increased by 1.7 per cent, as compared with 6 per cent in the previous year. As a result of the worsening terms of trade, the balance-of-payments

deficit had risen from \$28 billion in 1980 to \$38 billion in 1981. Latin America's total external debt had reached nearly \$240 billion. All that was obviously extremely disturbing for the region, where the social situation in several countries had worsened.

25. The immediate prospects were not very clear. According to some estimates, there could be a recovery in economic activity by the end of the year, but according to others, the recession would continue until 1983. However, the situation of the Latin American countries was entirely different from what it had been in 1973. Firstly, the current recession had not been accompanied by a rise in commodity prices, as had been the case in 1973, and secondly, the external debt of the Latin American countries, which had stood at \$40 billion at the beginning of the 1970s (30 per cent more than their total exports) had reached \$240 billion in 1981 (over double their exports for that year).

26. The options open to the countries of the region were largely dependent on a recovery of demand in the industrialized countries, a drop in interest rates and the development of protectionist trends. In any case, the Latin American countries should take measures at the world-wide, regional and national levels.

27. At the world-wide level, the economy of the Latin American countries was very much open to the rest of the world and therefore extremely vulnerable. Economic recovery in the large industrialized countries was thus of capital importance. It must also be borne in mind that the Latin American countries were very large importers of products from the developed countries and that their trade momentum could make a substantial contribution to the recovery of the world economy. Latin America was well aware that it had to work in the common interest and should not seek to solve economic problems on a purely national basis without taking into account the problems of other countries. It therefore attached great importance to the global negotiations which should be held under the auspices of the United Nations. In that respect, two questions were of vital interest to it: the maintenance of private and public financial flows and the struggle against protectionism, which could create serious problems for the Latin American countries, in that their import capacity was dependent upon their export capacity. Lastly, the importance of co-operation among developing countries at the world level should be stressed.

28. At the regional level, co-operation among Latin American countries now made sense, because it could help to counteract the international recession. Domestic markets in the Latin American countries accounted for \$1 billion, and imports and exports both exceeded \$200 billion. The regional market therefore had great potential, but, in order to use it, specific political agreements must be concluded, appropriate export promotion measures must be adopted, and the public and private sectors must be encouraged to take new initiatives.

29. Finally, at the national level, the Latin American countries would have to continue to borrow during the coming years, but it should be noted that, however heavy

their external debt burden might be, borrowing was an extremely useful instrument in a critical period. They should, however, show good judgement and prudence in that area. Many Latin American countries used tariff policies to protect their industries, but it was obvious that those policies should be adapted to the international economic situation and the economic policies of the industrialized countries on the one hand, and to other domestic economic policies on the other. Furthermore, it was essential to maintain realistic rates of exchange, particularly in order to foster international competition. Public expenditure could also be very helpful in counteracting the effects of the international recession. In that respect, it should be borne in mind that, during the 1930s, the Latin American countries had made considerable social investments, which had enabled them to strengthen the region's economic and social infrastructure during that difficult period.

30. In conclusion, as the Secretary-General had said in his opening statement (30th meeting), it was essential to implement a co-ordinated programme for economic recovery which was not inflationary and would help to alleviate the impact of the crisis on the economies of the developing countries. In that context, flexible and pragmatic policies must be adopted. Some lessons could be learned from recent experience. First, domestic adjustments should not be subjected to the free play of international market forces. Next, the struggle against inflation, although very important, should not be the only objective. The Latin American countries must, for example, endeavour to cope better with international competition.

31. The future did not look bright, but exaggerated pessimism should be avoided. As the participants at the nineteenth session of ECLA, held at Montevideo in May 1981, had stressed, the Latin American countries had all the elements required to implement a dynamic economic policy and achieve their development objectives, provided that the world economy was relaunched and effective measures were taken at the regional and national levels. Domestic policies and regional co-operation would play a decisive role in that regard.

32. Mr. KIBRIA (Executive Secretary, Economic and Social Commission for Asia and the Pacific) recalled that the Asia-Pacific region was the most heavily populated, the most deeply impoverished and the largest of all the regions. Only three of the 39 countries, members of ESCAP ranked as developed, and in more than 20 of the others manufacturing accounted for less than 10 per cent of GDP. A large part of the population lived in abject poverty and suffered from hunger, and the situation was worsened by the rural exodus and rapid urbanization. Male life expectancy was only 40 years in 8 countries and had reached 60 years in only 12 countries. Children suffered the most tragic fate: child mortality was 20 times higher and life expectancy 20 years shorter than in the developed countries. Malnutrition brought sickness which often went untreated, because doctors and health services were lacking in most of the rural areas.

33. The situation was undoubtedly dramatic, but it was

not desperate. Several countries were trying to promote the development of their impoverished hinterlands. Most of the countries of South Asia had made remarkable strides towards feeding their populations and expanding their industrial base. China had recently made progress in reducing poverty, lowering the birth rate and increasing food output. The countries of eastern and South East Asia, like the States members of ASEAN, the Republic of Korea, Hong Kong and Singapore, had continued their economic momentum despite unfavourable external conditions, while the developed countries of the region, with Japan in the forefront, were also showing strong vitality.

34. Although many countries appeared to be moving forward, that was not the case with the least developed, land-locked and island countries, which needed massive external assistance to overcome their difficulties, due frequently to geographical obstacles, and to strengthen their infrastructure.

35. ESCAP considered that top priority should be given to assistance for the poorest inhabitants and the most disadvantaged countries of the region. Although its extrabudgetary funds were generally double its regular budget, its resources were still insufficient, given the extent of the task. Development problems in the region were further complicated by the persistent inequities in international economic relations and the heightened trade barriers characteristic of the world economic recession. Protectionism curbed the vital export trade of many countries and prevented them from obtaining sufficient funds, not only to deal with the serious problems of poverty and rural development but also to continue their industrialization. Many oil-importing countries found it very difficult to service their debts because of declining terms of trade, worsening balance-of-payments deficits, further aggravated by the increase in oil prices in 1979-1980, rising interest rates, galloping inflation, and dwindling international aid.

36. In order to achieve economic progress, the countries of the third world must have access to foreign markets, so as to utilize their comparative advantages fully. Thus, it was essential to combat protectionism, which hampered their development. Moreover, structural reforms were urgently needed to establish a new international economic order. At the thirty-eighth session of ESCAP, held at Bangkok in March/April 1982, the member States had adopted a resolution calling for an early launching of global negotiations under United Nations auspices. Those countries were growing impatient about the current impasse.

37. It was clear that energy and free trade were powerful agents for modernization. In the poor countries, the modern sectors of the economy were invariably energy-consuming, dependent on oil, coal or natural gas. The developing countries had no alternative but to intensify their efforts to increase their energy supplies, either by exploiting traditional sources of energy or by a more vigorous development of renewable sources of energy. ESCAP was the first regional commission to have organized a meeting as a follow-up to the Nairobi

Programme of Action on New and Renewable Sources of Energy; that Regional Expert Group Meeting, held at Colombo in March 1982, had promoted activities in the field of energy and in a number of related sectors.

38. ESCAP played a catalytic role in regional development, as a result of its information activities, research, technical assistance and advisory services. In the energy sector and in several other fields, it also played a leading role as an interagency co-ordinator and executing agency. The Commission was working in close co-operation with UNDP, which provided it with vital financial support. However, progress had been very slow in the area of the overall co-ordination of United Nations activities in the Asian and Pacific region.

39. Despite its limited resources, ESCAP intended to continue taking the initiative in cases of urgent economic and social need in areas where its broad-based experience and multidisciplinary character gave it a pivotal capability. In that context, the participants at the thirty-eighth session of the Commission had adopted resolution 226 (XXXVIII), calling upon the secretariat to carry out detailed studies on regional and subregional food supply and on intersectoral aspects of trade and agricultural investment promotion. In 1981, the secretariat had completed the preliminary studies, which were both timely and necessary, in view of the widespread hunger and poverty in the region. ESCAP hoped to continue that work with the full co-operation of other United Nations bodies, particularly FAO, which, at the Sixteenth Regional Conference for Asia and the Pacific, held at Jakarta in June 1982, had devoted much of its time to the issue of food security in the region. The constructive decision taken by the FAO Regional Conference to create an institutional framework to deal with food problems should be welcomed. The Commission would co-operate fully with FAO, in order to achieve the joint objectives for the countries of the region. The ESCAP food supply study would certainly be very useful to the Commission on Food Security which had been set up by FAO at the Jakarta Conference.

40. Another important issue to be considered by the Council at the current session was the question of priorities in the United Nations medium-term plan for the period 1984-1989. ESCAP had spared no effort to ensure that its work responded to the needs of its member States, which belonged to a poor and populous region in which development problems were particularly complex. At the request of the member States, ESCAP had reassessed the programme priorities established in 1974, which had not worked well in shaping the work programme. A new approach to establishing priorities had been adopted. Instead of identifying six priority sectors, as had been done in 1974, a set of criteria was formulated and 17 priority subsectors were identified with a view to preparing the work programme and selecting projects. The criteria dealt with the Commission's role and capabilities, the need for increased assistance to the weaker sections of society and the more disadvantaged countries, and the need to promote regional and subregional co-operation. Those criteria and priorities,

on which the Commission was to take a final decision at its March 1983 session, had been specifically designed with the member countries of ESCAP in mind, and he hoped that the Council would take that into consideration when it sought to determine subprogramme priorities for the medium-term plan.

41. While the reassessment of priorities would give positive new direction to the Commission's work programme, it should be stressed that an enormous imbalance still remained between the resources available to ESCAP and the tasks at hand. ESCAP was currently far too dependent on extrabudgetary sources. It was the main general economic and social development centre for the region of Asia and the Pacific, and the current period was one of testing and transition for a region in which poverty was widespread. The colonial structures had long since disappeared, political independence was an accomplished fact, and many countries had already achieved impressive economic growth. However, the vast majority of people in Asia and the Pacific had not yet tasted the fruits of progress, and ESCAP must do its utmost to ensure that they enjoyed not only freedom but also a better life.

42. Mr. ADEDEJI (Executive Secretary, Economic Commission for Africa) said that, after a decade of declining growth rates in the economies of the developed countries, accompanied by high interest rates, significant inflationary pressures and alarming levels of unemployment, the international economic system was in a state of disarray unequalled for half a century. There now appeared to be a consensus that the present economic crisis was neither cyclical nor transient but structural in nature, and that it therefore called for fundamental reforms.

43. The continuing international crisis posed a tremendous threat, as well as a great challenge, to the African economies. Africa, as the economically least developed continent, with 21 countries on the list of the least developed countries and 5 other countries to be added to the list if the recommendation of the Committee for Development Planning was approved by the Council and afterwards by the General Assembly, and as the continent most dependent on the industrialized market economies and therefore the most vulnerable, had been the worst hit by the international crisis. Indeed, Africa faced four debilitating crises simultaneously. First, there was the food crisis, the outcome of the 10 per cent decline of *per capita* agricultural production over the past decade, as well as the persistence of drought in the Sudano-Saharan countries and the spread of drought to eastern and southern African countries. There was also a commodity prices crisis, and a balance-of-payments crisis which had led to a reduction in oil consumption and a cutback in the procurement of spare parts, with adverse effects on industrial production. Finally, there was a crisis in respect of the external debt, which was now approaching \$48 billion. In 1981, the cost of debt servicing had accounted for 14 per cent of the value of exports of goods and services, and the percentage had grown even higher because of the need to borrow for shorter periods and at

very high interest rates. Thus, as the African continent struggled to cope with the essential needs of its population, in addition to its development needs, it was beset by a number of obstacles both endogenous and exogenous, the latter exercising a stronger influence than the former. The problem was rooted in the nature of the relationship between Africa and the developed world, and unless it was tackled at once, the particularly fragile African economies might continue to be vulnerable, both individually and collectively, and continue to depend on the vagaries of the developed economies.

44. In those circumstances, the African countries might choose to regard the present situation, by no means a transient one, as a challenge, and to take advantage of the crisis to lay the foundations of a self-reliant, endogenous and self-sustaining African economic system. Such a course of action was in conformity with the objectives defined by African countries for themselves in the Monrovia Strategy for the Economic Development of Africa, the Lagos Plan of Action for the Implementation of the Monrovia Strategy, and the Final Act of Lagos, to which they remained committed.

45. Over the past year, ECA had given priority attention to the implementation of the Lagos Plan of Action and the Final Act of Lagos. The Secretary-General of OAU and the Executive Secretary of ECA would submit the first progress report thereon at the forthcoming OAU summit meeting at Tripoli.

46. The most significant achievement of the year had been in the field of regional economic co-operation and integration. In December 1981, after four years of intensive negotiations under the auspices of ECA and its Multinational Programming and Operational Centre at Lusaka, Zambia, the heads of State and government of the 18 countries of eastern and southern Africa had met at Lusaka to consider the possibility of establishing a preferential trade area for the subregion. The Treaty on the Establishment of the Preferential Trade Area for Eastern and Southern African States had now been signed by 12 countries. By the Libreville Declaration of 18 December 1981, the 11 Central African heads of State and government had committed themselves to the establishment of an Economic Community of Central African States. ECA believed regional and subregional economic co-operation and integration to be the prerequisite for the economic survival of African countries.

47. The Multinational Programming and Operational Centres, which had been established to promote the socio-economic integration of the African region through subregional and regional co-operation, had proved extremely useful, and their activities had recently received a favourable appraisal by joint UNDP/ECA evaluation missions and by the Joint Inspection Unit. He hoped that the Council would endorse the recommendations made by the Secretary-General in his report now before the Council on the financing of the Centres on an established basis (E/1982/70).

48. Food and agriculture, industry, and transport and communications were three crucially important sectors for Africa's economic self-reliance. ECA, OAU and

UNIDO had accordingly made every effort to ensure the success of the Industrial Development Decade for Africa announced by the General Assembly in resolution 35/66B of 5 December 1980. The three organizations had focused on the main priorities in the industrial sector, such as food processing, chemicals, engineering, construction and small-scale industry. The main thrust of the joint programme of the three organizations was directed to the strengthening of intra-African industrial co-operation, taking into account the complementarities and opportunities for specialization, and with the help of the free flow of information on markets, finance, technology and the search for joint venture projects.

49. With a view to mobilizing funds for the Transport and Communications Decade in Africa, four technical consultative meetings had been held: the first at Lomé, Togo, in June 1981, on roads, air transport, telecommunications, broadcasting and postal services; the second at Ouagadougou, Upper Volta, in January 1982, on African railways; the third at Yaoundé, Cameroon, in March 1982, on roads and inland water transport; and the fourth at Abidjan, Ivory Coast, in May 1982, on maritime transport and ports. They had made it possible to secure additional financial resources of approximately \$940 million. A fifth technical consultative meeting on roads, maritime transport and ports for the countries of North Africa, East Africa and the islands of the Indian Ocean was scheduled for the second half of 1983. At present, ECA was actively involved in the preparation of the second phase of the programme for the Decade (1984-1988), in close co-operation with the United Nations specialized agencies and OAU.

50. The Joint Inspection Unit had prepared a detailed report on ECA, concerning regional programming, operations, restructuring and decentralization issues (A/37/119), which was before the Council. The eighth meeting of the Conference of Ministers of ECA had endorsed its recommendations, particularly those concerning the Multinational Programming and Operational

Centres, the methods of decentralizing powers and responsibilities, the provision of adequate resources, and a new management service orientation. He hoped that the Council would endorse those recommendations to the General Assembly.

51. As the Executive Secretary of ECLA had stated earlier, in order to further South-South co-operation, a very successful meeting had been held in June 1982 at Addis Ababa. It had been the first of its kind at which experts from Africa and Latin America had considered several priority areas for co-operation between the two regions in the fields of trade, science and technology and human resources development. ECLA and ECA would arrange to follow up that meeting.

52. At its seventeenth session, in addition to the decisions already mentioned, ECA had adopted a number of resolutions addressed to the Council concerning the proposed new statutes of the Regional Institute for Population Studies at Accra and the Institut de formation et de recherche démographiques at Yaoundé, contained in document A/37/236, demographic data collection and analysis, and desertification control in Africa. Finally, the expansion of the conference facilities of ECA at Addis Ababa was the subject of a preliminary report by the Secretary-General (E/1982/83). He hoped that the Council would take all necessary measures to ensure that the General Assembly at its thirty-seventh session approved the project and made the necessary financial provision so that construction work could begin in 1983.

53. In conclusion, he associated himself with the African Ministers for Economic Development who had appealed to the international community in the Declaration of Tripoli to provide aid and technical assistance to African countries within the framework of the goals, objectives and philosophy of the Lagos Plan of Action and the Final Act of Lagos.

The meeting rose at 12.45 p.m.

42nd meeting

Thursday, 15 July 1982, at 3.15 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.42

In the absence of the President, Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments
(continued)

1. Mr. JOHNSON (Benin) said that the important statement made by the Secretary-General of the United Nations on the occasion of the opening of the current session of the Council and the introductory statement made by the President on that occasion (30th meeting), as also the conclusions in the *World Economic Survey, 1981-1982* and the report of the Committee for Development Planning, showed clearly the gravity of the world economic situation. The world economic crisis had

reached such alarming proportions as to affect both developed and developing countries. The persistent economic recession, characterized by a sharp drop in growth rates for the world economy as a whole, was without precedent in post-war history.

2. While it was true that no group of countries was sheltered from the consequences of the general economic crisis, the situation was of particular concern to the developing countries, especially the least advanced of them, which faced serious balance-of-payments deficits and had no choice but to reduce their economic activity in general. Among other difficulties affecting the least advanced countries were a constant deterioration in their terms of trade, galloping inflation, increased external debt, and unemployment. Those unfavourable economic factors had been among the main causes of the decline in the GDP of the developing countries in 1981 and an even greater decline in 1982.

3. In his delegation's opinion, the old order based on inequality of advantages in international economic relations constituted the fundamental cause of the constant deterioration in the world economic situation. The developed countries continued to preserve the advantages acquired and to safeguard their selfish economic interests by taking a series of unconstructive initiatives such as reducing development assistance and adopting protectionist measures which merely increased the difficulties of the developing countries.

4. Outlining the economic situation in his own country, which was one of the least advanced, he said that the first 12 years of its nominal independence had been marked by chronic political instability and the deliberate exploitation of its economic resources by interventionist companies and public and private enterprises. The initiation of the revolutionary process in October 1972 had brought about important changes in the national economic situation; thanks to the firm measures taken by the State. As a result of those measures and the efforts made by the revolutionary State and the hard-working people of his country, its rate of growth had accelerated from 1972 to 1976. The situation had improved in 1975, following the resumption of domestic investment and savings. GDP had shown an annual increase of 7 per cent a year, in real terms, in 1975 and 1976, and gross investment had amounted to 20 per cent of GDP in 1976. The adoption by the Government in August 1977 of the Three-year Economic and Social Development Plan, covering the period 1977-1980, had consolidated the efforts towards economic recovery made during the years 1974 and 1975. The Plan would continue to serve as a basis for investments in 1981 and 1982.

5. The proper implementation of the objectives in the Three-year Plan had been compromised by external factors due to an unfavourable international economic situation; his country's difficult economic position had been aggravated by the act of colonial aggression committed against it in January 1977. Climatic conditions, too, had had unfavourable effects on the national economy.

6. His country's economic situation gave cause for

serious concern and his delegation fully appreciated decisions 1982/100 and 1982/148, by which the Council had decided to consider, in an integrated manner, the questions included under agenda item 4 (Special economic, humanitarian and disaster relief assistance).

7. With regard to the United Nations special economic assistance programme for his country, he pointed out that the General Assembly, in its resolution 36/208, had fully endorsed the assessment and recommendations of the mission dispatched to Benin, appearing in the annex to the report of the Secretary-General on special economic assistance to Benin (A/36/269), and had requested the Secretary-General to keep the situation in Benin under constant review, to maintain close contact with Member States, the specialized agencies, regional and other intergovernmental organizations and the international financial institutions concerned, and to apprise the Economic and Social Council, at its second regular session of 1982, of the status of the programme. The presence in Benin at that moment of a United Nations mission entrusted with the task of studying the economic situation of the country and the progress achieved in the organization and execution of the programme of assistance bore witness to the diligent efforts made by the Secretary-General, for which his Government was most grateful. A report on the results of the mission would be submitted to the Council during the consideration of agenda item 4 and would undoubtedly enable it to make the appropriate recommendations to the General Assembly. His Government was confident that the international community would react favourably to ensure the effective financing of the special economic assistance programme for his country.

8. His delegation considered it imperative that the old order which continued to govern international economic relations should give place to the new international economic order which had been proclaimed by the United Nations General Assembly in its resolution 3201 (S-VI), but remained a pious wish because the developed countries did not want it to become a reality.

9. There had admittedly been many moves to reopen the North-South dialogue, among them the adoption in September 1981 of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, the conclusions favouring an improvement in North-South relations and the launching of global negotiations, reached by the heads of State at the Cancún summit meeting in October 1981, and the reaffirmation by the seven Western industrialized countries at Versailles in June 1982 of support for the launching of global negotiations. Those initiatives by the developed countries constituted a major contribution to the search for ways and means of overcoming the world economic crisis, but their implementation was still being delayed by selfish considerations on the part of their authors. That being so, the developing countries, instead of being satisfied with the initiatives of the developed countries, had recently held a number of meetings at which important decisions had been taken in favour of economic co-operation among themselves. While recognizing the global nature

of international economic relations, they had stressed that economic co-operation among developing countries was essential.

10. With regard to the revitalization of the Economic and Social Council, his delegation hoped that the objective proposals made by the President would enable the Council to take an appropriate decision at the current session.

11. His country co-operated with all other countries on the basis of mutual respect for sovereignty, dignity, equality and reciprocal advantages. Consequently, his delegation considered that any increase in development aid granted by any developed country to developing countries was to be appreciated. It therefore took note of the information which the USSR delegation had given in its statement at the current session and was confirmed in the letter dated 12 July 1982 from the head of the delegation of the USSR, addressed to the President of the Economic and Social Council (E/1982/86).

12. In conclusion, his delegation appealed to its partners in the North to show the necessary political will to accept as a basis for discussion the proposals in General Assembly resolution 34/138, with a view to the immediate launching of the global negotiations.

13. Mr. BLASZCZY SZYN (Poland) said that the solution of international economic problems and conditions of economic and social progress and development required that the Council should concentrate its attention on the identification of the real problems and factors determining main development trends in the world economy, at the same time indicating possibilities for international co-operation. Such co-operation should involve and be in the interest of all countries regardless of their level of development or economic and social system.

14. The documentation submitted to the Council at its current session and other competent analyses and predictions invariably pointed out the dramatic conditions and disquieting trends in the international economy. His delegation endorsed the major findings of the *World Economic Survey 1981-1982*, and the report of the Committee for Development Planning on its eighteenth session, which showed, *inter alia*, that the economic crisis directly affected all groups of countries and therefore required approaches and solutions of a global nature; that the malaise affecting the world economy had its origins in causes of a structural nature and therefore called for structural adjustments at both the international and the national level; and that the interdependence of the world economy had led to a downward spiral in global economic conditions. The available studies on that subject provided clear evidence that the international transmission of economic deceleration had for several years been, and continued to be, intensified by the policies of some major industrialized countries of the West, which sought to cure their problems—often short-term ones—on a national or regional basis by applying measures that harmed the international economy and the long-term development interests of other countries. It was noted in one of the reports before the Council that the interdependence of

the world economy was such that only international co-operation could restore growth and development and that that implied that the choice by each country of economic policies, whether domestic or external, must also take into consideration the impact on the world economy.

15. A further finding was that only in conditions of détente, the maintenance of peace, the strengthening of international security and progress in the field of disarmament could international economic co-operation be successfully developed in the interests of all States. His Government endorsed the findings of the Secretary-General's study entitled *The Relationship between Disarmament and Development*, prepared in connection with the recent twelfth special session of the General Assembly (second special session devoted to disarmament). His Government reiterated its position that the effective, limitation of armaments and genuine disarmament, particularly nuclear disarmament, would constitute an essential factor contributing to the social progress and economic development of all countries. In that political context, he stressed his Government's continuing position regarding the legitimate right of the Palestinian people to self-determination and its condemnation of the recent Israeli aggression in Lebanon directed against the Palestinian nation.

16. Another important finding in the various studies was that all forecasts relating to the prospects for the improvement of general conditions in the world economy in 1983 were fraught with uncertainty and were based on the nature of the economic policies to be pursued internationally and by individual countries. His delegation fully associated itself with the grave concern expressed by the majority of members of the international community over the growing threat of classical protectionism, coupled with a variety of discriminatory restrictive policies that tended to spread over nearly all fields of economic activity and international economic relations.

17. His delegation felt that the absence of constructive answers to world economic problems was due, not to the weakening of the spirit of international co-operation noted by the Committee for Development Planning, but to the strategy and policy of certain States. That strategy was reflected in the persistent opposition of certain Western States to the programmes and efforts of the majority of the United Nations community aimed at reshaping the traditional principles, policies and institutions in international economic relations, with a view to fulfilling the just and progressive objectives of the new international economic order. For more than two years, those States had obstructed the implementation of General Assembly resolution 34/138 on global negotiations relating to international economic co-operation for development; they were not simply delaying the start of negotiations but were seeking to deviate from the initial concept. The developing countries had from the start regarded the global negotiations as an important mechanism for the production of solutions and policy commitments that would contribute to the new international

economic order and make the provisions of the International Development Strategy for the Third United Nations Development Decade operational. The delay in launching the negotiations had been used in and outside the United Nations to exert pressure on the developing countries, in some subregions in particular, to make them accept various conservative arrangements and undemocratic principles and policies instead of those provided for in the constitutional acts of the new international economic order; including the Charter of Economic Rights and Duties of States.

18. His delegation shared the concern already expressed about the fate of the global negotiations so far and reaffirmed its continued support for the substance of those negotiations as agreed upon in the General Assembly. At the same time, it hoped that the efforts being made by the developing countries in the informal consultations on the subject in New York would soon lead to a decision to convene the preliminary conference on global negotiations. Such a conference, when convened, must be allowed to take up and deal effectively with the real issues that confronted the entire international economy and global economic co-operation; particularly those of concern to the developing countries. His delegation also hoped that the democratic and universal principles on which the restructuring of international relations should be based, as voiced in the United Nations by the socialist countries, would be accepted by other countries and would contribute to the future process of global negotiations to the benefit of all.

19. The recent painful experience of Poland in its external relations with the West indicated the dangers which could confront the economic existence of countries when tensions were transplanted from the international political situation to the sphere of economic relations. That was not to say that the current complex problems of Polish economic life were entirely due to adverse external influences. The nature of those problems, and the lessons and conclusions drawn in Poland, had been extensively discussed, domestically and internationally, and openly presented by Polish statesmen at several important meetings in and outside the United Nations system.

20. Although the problems of Poland's socio-economic development had to some extent been caused by internal factors, including political ones, they had been seriously aggravated by factors relating to external relations. Apart from certain undesirable processes attributable to mistakes in domestic and foreign economic policies in the 1970s, which had led *inter alia* to excessive external indebtedness, Poland's difficult economic situation had been made considerably more complicated by the economic restrictions adopted by the United States Government and, under pressure from it, by the Governments of some other capitalist States. At the preceding session of ECE, the Polish delegation had stated that such a policy was a flagrant violation of generally accepted norms of international law, a violation of the Final Act of the Helsinki Conference on Security and Co-operation in Europe, and a departure from the principle of non-discrimination adopted in GATT and

from the obligations arising out of other accords and agreements. The policy of commercial and financial restrictions and the boycotting of official intergovernmental contracts made it difficult for Poland to meet its financial and other obligations to its partners in the West and to develop normal economic relations with third countries. The Western States had made Poland's indebtedness a political issue and used it as a weapon by refusing to start talks on rescheduling the official debts due in 1982 and by blocking deliveries purchased on credit terms. As a result, external questions which had previously been dealt with in purely financial terms had begun to have a bearing on Poland's internal life, including its social and political aspects. Such restrictions struck directly and indirectly at the Polish people, since they undermined Poland's two basic social and economic efforts, towards the meeting of basic consumer needs and the procuring of essential supplies for industry and agriculture, both being critical conditions for recovery from the crisis and for the early and efficient completion of the comprehensive reforms already under way. The economic assistance of the Soviet Union and co-operation with the socialist countries within CMEA, however, was playing an invaluable role in alleviating Poland's economic difficulties.

21. The restoration of unhampered international trade and co-operation, the absence of which now impoverished to a certain degree most of the countries of the world, would depend on the guarantees for the stability of the infrastructure of international economic co-operation that could be worked out through bilateral and multilateral efforts. The possibilities and the responsibility of the United Nations in that connection could not be overstated. His Government had recently advanced suggestions for the international adoption of measures to build economic confidence which could lead to the creation of a system of economic security in international relations. The Prime Minister of Poland had introduced the idea at the recent thirty-sixth session of CMEA, and the Minister for Foreign Affairs had presented it on several occasions, including the recent twelfth special session of the United Nations General Assembly (second special session devoted to disarmament). The system would prevent the use of economic pressure for political purposes through the observance of principles of equality, sovereignty and non-interference in internal matters in respect of economic relations among States. It was aimed at protecting economic co-operation against the adverse influence of deteriorating political relations, a danger that the world was currently experiencing.

22. In addition to tightening its economic co-operation and deepening its integration with other members of CMEA, Poland, like other socialist countries, was interested in expanding co-operation with all developing countries, as well as with those developed countries which were prepared to respect the terms of such co-operation. Its Government had recently been engaged in adjusting, to the current conditions of the Polish economy, the programmes and policies of co-operation with developing countries that had been adopted a few years previously.

Its aim was to ensure that the dynamic trend in co-operation with those countries was continued and strengthened. That trend would be additionally strengthened by the co-ordination recently agreed upon in CMEA of the programmes and policies of the socialist countries relating to co-operation with the developing countries. In that context, the Polish delegation would like to join others which had expressed appreciation of the Soviet Union's statement (E/1982/86) on the extent of the assistance which that country was giving to the developing countries.

23. The consideration of long-term economic trends had been initiated by General Assembly resolution 3508 (XXX) of 15 December 1975 entitled "Examination of long-term trends in the economic development of the regions of the world". In 1979, after the analyses of regional trends, the exercise had been extended to cover an overall socio-economic perspective of the world economy to the year 2000. A report on that question was now before the Council (A/37/211 and Corr.1). As one of the sponsors of the initiative, the Polish delegation had studied it with great interest. The Secretariat was to be commended for its work in preparing so comprehensive a study.

24. Although his delegation intended to comment on the report in greater detail at the forthcoming session of the General Assembly, he wished to make a few preliminary remarks. Firstly, his delegation had noted with satisfaction the inclusion of social aspects of development in the perspective. That vital area of analysis should be extended, however, by the addition of such issues as socio-economic reforms and social aspects and repercussions should be taken into account in individual growth scenarios. Secondly, the comprehensive in-depth analysis in the chapter on critical areas for international policy action was to be commended. Issues such as international trade, the monetary situation or disarmament had a great impact on the possibilities for lasting economic recovery. In that connection, his delegation would welcome a strengthening of the conclusions of the various sub-chapters with regard to international co-operation. Thirdly, it would be of advantage if the scenarios presented in the draft could be based not only on given growth-rate assumptions but also on various assumed types of policy, levels of protection, financial flows and degrees of progress in disarmament, in order to see how the scenario for the International Development Strategy for the Third United Nations Development Decade could be attained and what national and international measures were required. In that way, the interactions of social, economic and political aspects of development could be examined as integral elements of the Strategy. That would, of course, require certain changes in the methodology used in the study. Fourthly, the country groupings used in it sometimes made the analysis somewhat inconsistent whenever economic problems did not fall strictly within such a division. His delegation questioned the introduction of the category of "developed centrally-planned economies", which had not been used in an earlier

version of the perspective and was not used in other United Nations documents. Such an artificial category tended to ignore the considerable differences between developed market-economy countries and the socialist countries of Eastern Europe.

25. The study should be transmitted, together with the preliminary views expressed during the current session of the Council, to the General Assembly at its thirty-seventh session, for further consideration and a decision regarding the future work to be done in that field in the United Nations. In view of the link between the study and the work of the Committee for Development Planning, as evidenced in the Committee's recent report (E/1982/15 and Corr. 1 and 2), it would be beneficial if that Committee could be associated with any future work by the Secretariat in connection with the follow-up to the present study.

26. The Polish delegation continued to attach great importance to strengthening the role of the Economic and Social Council in accordance with its established mandate. The efficiency of the Council's work could be increased, on the one hand by directing its attention to the most important problems requiring international economic co-operation and multilateral action, and on the other by continuous organizational improvements. With regard to other important items on the Council's agenda, such as item 9 (Regional co-operation), item 19 (Operational activities), item 16 (Industrial development co-operation), item 15 (International co-operation on the environment), item 13 (International co-operation in the field of human settlements) and item 17 (Science and technology for development), his delegation would, as at previous sessions, participate actively in the work of the committees and would adopt a constructive attitude in consultations on any proposal for action by the Council. Although the item relating to trade and development was not under consideration at the current session, his delegation would like to stress the prominent role played by UNCTAD in the context of United Nations economic activities. It was Poland's intention to join with other countries in working for the success of the sixth session of the United Nations Conference on Trade and Development, to be held in 1983.

27. Mr. LA ROCCA (Italy) said that the Council's debate at its current session provided a timely opportunity for a broad review of the economic situation and an analysis of the most acute problems facing the international community. It should also be aimed at identifying possible action and practical measures for improving international economic co-operation and promoting the cause of development.

28. The pessimistic forecasts for the world economy made in the Council a year earlier had unfortunately proved correct. The slow-down in economic activities had affected all groups of countries in 1981, regardless of their economic systems or levels of development. The developing countries, particularly the most disadvantaged, had been seriously affected by the world economic depression. The aggravation of their balance-of-payments problems had forced them to adopt measures

that would further jeopardize their growth and development potential. For the first time for three decades, most of them had also experienced a significant fall in *per capita* income.

29. Among the most disturbing symptoms of the structural difficulties facing the world economy were high interest rates, massive unemployment, balance-of-payment pressures, trade problems and stagnation in productive investment. While the people of all countries suffered from the effects of that situation, the people of the developing countries, particularly the poorest countries, carried the heaviest burden. If they were to break the vicious circle of underdevelopment and give their people prospects of a decent life, the countries already suffering from structural poverty, malnutrition and mass underemployment needed accelerated development. Unfortunately, however, the disruption of their economic development programmes caused by the world economic recession meant that their people would continue to suffer intolerable levels of poverty and social malaise. In considering the need for expanding the world economy, it was essential to bear in mind not only the economic aspects but also the danger of the social and political tensions inherent in the prevailing situation.

30. The problems confronting the world economy, and the challenges set by the profound changes in productive systems, could be met only by policies of economic interdependence. Events of recent years had shown that the economic situation and prospects of individual groups of countries were closely interlinked with those of other groups. Only through a co-ordinated effort could the basic conditions for halting the deterioration in the world economy and pursuing a process of adjustment and orderly economic growth be established. His delegation had therefore heard with interest the Secretary-General's call for the development of a co-ordinated world recovery programme and agreed with him that such a programme should incorporate efforts to redress the excessive burden placed by the current crisis on the developing countries, particularly the least developed and other structurally-disadvantaged countries.

31. Italy had consistently expressed its commitment to the gradual construction of a more equitable international economic order, with the increased participation of the developing countries in the benefits of economic growth. Developing countries should also play a more effective role in the international decision-making process. His country therefore supported the call for a round of global economic negotiations. It considered the United Nations to be the appropriate forum in which to seek a politically broad consensus in the dialogue between developing and industrialized countries and it recognized the need to achieve balanced and mutually advantageous solutions to the global problems facing the world economy. It was therefore disappointing that, despite the opportunity offered by the recent Versailles summit meeting for an immediate launching of the global round, the vital process of co-operation and negotiation had been further postponed. The broad political support for global negotiations might be eroded if delegations continued to indulge in

what might be regarded as subtleties or semantics. His delegation therefore renewed its appeal for a successful conclusion of consultations, with a view to the launching of the global round before the end of 1982. While new and imaginative instruments to improve and rationalize the North-South dialogue should be sought, efforts for enhancing international economic co-operation for development and for ensuring world economic recovery must be continued.

32. While inflation was one of the worst scourges affecting the economies of most countries, exclusive reliance on strict monetary policy had also proved damaging. High nominal interest rates and exchange rate instability had increased the burden for many countries and created serious problems for the financing of their balance-of-payments deficits. Investments had been stagnating or decreasing, while unemployment in most countries had reached record levels since the Second World War. The recent reduction in inflation rates had been achieved at high social cost. Only through a harmonization of policies and a strengthening of international co-operation could growth with price stability be restored.

33. While international financial institutions had continued to play an important role in the development process, the flow of capital assistance to developing countries should be maintained and increased. The current shortfalls in contributions to IDA, and the decreasing level of the financial resources available for the operational activities of the United Nations system, particularly those of UNDP, were the cause of great concern. While the private sector had an important role to play in capital assistance and the financing of productive investments in developing countries, increased flows of official development assistance remained vital for the economic growth of the poorer and least-developed countries. The Italian Parliament and Government were firmly committed to the achievement within the decade of the target set for official development assistance in the International Development Strategy for the Third United Nations Development Decade. The volume of Italian financial assistance to developing countries had steadily increased over the past three years and would, in 1983, exceed the average official development assistance of the members of the Development Assistance Committee of OECD. Multilateral assistance channels and the operational activities of the United Nations system would continue to receive his country's special attention in that respect.

34. Adequate food production and world food security were imperative for the achievement of a more just and humane society. His Government had long been drawing attention in a number of forums to the need to promote the fight against world hunger. A high-level technical meeting had been held at Rome in April 1982, with the participation of 44 countries, 15 international organizations and 7 development banks and funds, with a view to achieving a co-ordinated and action-oriented effort by the international community against malnutrition. The ultimate purpose was to help to ensure the survival and

well-being of millions of people by promoting, at the multilateral and bilateral levels, activities related to food aid, food security and agricultural development for the developing countries. The main issues considered had been general and emergency food aid, food security, agri-food strategies, sectoral action themes and the harmonization and co-ordination of aid. Participants had confirmed their steadfast desire to pursue the goal of eradicating world hunger as a priority objective of the international community and there had been a widely-expressed commitment to joint schemes for translating political will into specific action. The conclusions of the meeting had been circulated as an official document of the forthcoming session of the General Assembly (A/37/260) and his delegation hoped that they would receive careful consideration.

35. An orderly energy transition was an objective of paramount importance for the international community. Decreased overall demand, as a result of the world recession and of measures by consumer countries for conservation and for the development of alternative sources of energy, had temporarily softened the oil market. It was nevertheless essential to proceed with world energy development, and his delegation supported the idea of a co-ordinated international effort to finance energy activities. The World Bank could and should play a major role in channelling resources for the promotion of research, exploration and development of energy sources in the developing countries.

36. The encouraging results achieved at the United Nations Conference on New and Renewable Sources of Energy, held at Nairobi, towards international co-ordinated action for the development of new and renewable sources of energy should be consolidated. The Interim Committee, which had met at Rome in June 1982 at the invitation of the Italian Government, had confirmed the international community's commitment to implementing the Nairobi Programme of Action. The increased and widespread use of new and renewable sources of energy could make a considerable contribution to energy transition and could help to overcome the fuel wood crisis affecting many developing countries and to promote their development, particularly in rural areas. Italy had given financial and other assistance to activities in the follow-up to the Nairobi Conference and was prepared to contribute to the implementation of the Programme of Action.

37. His delegation also hoped that the Council, at its current session, could make some progress in the field of science and technology for development. The extensive and complex negotiations for the establishment of the long-term financing system for the implementation of the Vienna Programme of Action had shown that innovative and imaginative approaches could open up prospects for progress on that important issue. His country, which intended to continue its support to science and technology for development, hoped that agreement would shortly be reached on an effective system with sufficient financial means.

38. Despite the difficult and dangerous situation

through which the world was passing, the fact that delegations were able to meet in the Council and other international forums, to listen to each other's views and to seek solutions showed that international co-operation was still considered to be the only viable instrument for overcoming the difficulties. His country was firmly convinced of the importance of the United Nations system for promoting such co-operation and it would continue to participate in efforts to assist developing countries in their struggle for dignity and prosperity and for the establishment of a more just and balanced international environment.

39. Mr. SERGIWA (Libyan Arab Jamahiriya) said that the deterioration in the world economy, and the problems of hunger and malnutrition, could be attributed to the economic order which had prevailed since the Second World War, favouring the interests of the developed industrialized countries and inducing them to obstruct any serious steps towards establishing a new international economic order. A small group of capitalist countries still delayed the launching of the global negotiations proposed pursuant to General Assembly resolution 34/207; the Libyan delegation regretted such delaying tactics, since the negotiations would enable major international economic problems to be approached and differing opinions reconciled in a spirit of understanding. The situation was too serious for further delay; efforts should be made to break the current deadlock in North-South relations and to bring about a new international economic order.

40. Since development was linked to world peace and security, the struggle against colonialism, neo-colonialism, Zionism, racial discrimination and hegemony was fundamental to social and economic development everywhere and to the exercise by all peoples of their right to sovereignty over their natural resources. In the Arab region, vast funds urgently needed for such development had been absorbed in the arms expenditure required in order to face the Zionist entity; the latter was still oppressing the Palestinian and other Arab peoples and annexing more of their lands, and, with the support of the United States of America, had recently invaded Lebanon in order to exterminate the Palestinian and Lebanese people. The Libyan delegation denounced that invasion and the criminal acts which had caused the death of thousands of innocent people, and it insisted that the Zionist entity, whose deeds were utterly unacceptable, should be expelled from the United Nations. It appealed to the international community to support the Lebanese, Palestinian and Arab peoples in seeking the liberation of their occupied lands and the restructuring of their economy.

41. The African continent included most of the world's least developed countries and suffered from economic backwardness resulting from colonialism and the policy of racial discrimination pursued by the South African régime. The Libyan Arab Jamahiriya was in the region worst affected; the Sahelian countries' food production had been crippled by drought and desertification. It was hoped that the international community and international

agencies would attach due urgency to the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa, which the African countries had adopted in order to solve their economic problems, and that the General Assembly would provide the funds to enable ECA to follow up the implementation of that Strategy. In addition, the Substantial New Programme of Action for the 1980s for the Least Developed Countries should be supported by the entire international community.

42. The Libyan delegation supported the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy and hoped that the developed countries would fulfil their obligation to co-operate in promoting the requisite research.

43. Although the Libyan Arab Jamahiriya had made great strides in most sectors of its economy, it was still seeking to diversify the economy, so that it would not be based exclusively on petroleum. One serious problem was that of the deaths and injuries still being caused by remnants of the Second World War. The countries which had implanted mines in his country were aware of the situation but had not yet met their international obligation to provide the maps and data required, despite resolutions adopted by the Governing Council of UNEP and the General Assembly, specifically Assembly resolution 36/188.

44. The developing countries themselves must take the first step towards progress, by eradicating the monopolistic practices of transnational corporations and intensifying economic co-operation among themselves, which the Libyan Arab Jamahiriya supported as an essential component in the steps towards a new international economic order and a complement—not an alternative—to the North-South dialogue. The meetings at Arusha, Cancún and Caracas had signalled the progress made in economic co-operation among developing countries; the Programme of Action adopted at Caracas in May 1981 would be a significant factor in collective self-reliance. The Libyan Arab Jamahiriya had been able to assist other developing nations through bilateral or multilateral programmes, including the establishment of joint companies and a development bank, particularly for agriculture and industry. It had also provided financial and development assistance through other channels, such as OPEC, the African Development Bank, the Arab Bank for Economic Development in Africa, and other regional and international institutions established for the purpose.

45. The Libyan delegation hoped that the Council would take positive steps towards solving the economic problems faced by all nations, especially the developing countries.

46. Mr. ORTIZ (Observer for Cuba) said that the existence of a political and economic crisis in current international relations was acknowledged by all. Although post-war reconstruction had provided sustained investment growth for the capitalist countries, the Keynesian economic doctrine regarded as their panacea

had collapsed in the face of the recession, inflation and unemployment which had arisen in the 1970s; “stagflation” had become a prominent feature of the economy in the United States of America, and thus in the other developed capitalist economies; the chronic economic crisis in those countries threatened the outmoded systems of capitalist production. That crisis was a root cause of the growing international tension, the unbridled arms race and the spread of local conflicts—a key factor in which was the Reagan Administration’s bellicose and discriminatory policies.

47. For world public opinion, peace and development were inseparable; the socialist countries and other progressive and peace-loving forces viewed international peace and security as mankind’s chief objective. The arsenals of the nuclear Powers, however, were such that a new world-wide conflict would put an end to the human race. The arms race absorbed huge resources which could be devoted to social and economic development instead of destruction. It benefited only imperialism and its military-industrial complex, which, in defiance of international law and conscience, had taken steps even to militarize outer space, when what was needed was the taking of serious steps towards general and complete disarmament.

48. The current international economic crisis stemmed from certain basic factors underlying the disequilibrium in the capitalist economy. Firstly, the developing countries’ external debt had risen from some \$300 billion in 1979 to over \$500 billion in 1982—an increase which, if not checked, could bring about the collapse of the world economy. Eminent international political and economic personages, including Dr. Fidel Castro Ruz, President of Cuba, had referred to the need for a large-scale transfer of further resources to the developing countries and had made realistic proposals. But the continued fall in the transfer of real resources and in official development assistance had become a feature of the so-called North-South relations.

49. Secondly, the persistent widespread inflation in the capitalist economies had spread to the dependent developing countries, owing to the unjust economic relations between the two groups. The constant rise in interest rates under the economic policies of President Reagan (the so-called “Reaganomics”) had led only to increasing unemployment and inflation in the United States and to serious repercussions on its partners. The instability of the United States dollar—the key currency of the international capitalist system imposed at Bretton Woods—and of other currencies seriously affected the developing countries; the reform of the prevailing system was a major requirement for the establishment of a just and equitable new international economic order.

50. Thirdly, the steady worsening of terms of trade and the growth of protectionism hampered the developing countries’ export earnings and increased their dependence on the former metropolitan Powers. Transnational corporations controlled international capitalist markets and thus the prices of manufactures in relation to the developing countries’ exports; the actions of such

corporations must be curbed by the international community.

51. Fourthly, the growth of unemployment and under-employment in the capitalist countries was at the root of the growing social unrest in many market-economy countries. Hunger, malnutrition, ill-health and illiteracy plagued millions of people, particularly in the developing countries. A prime task of international co-operation must be the unflagging campaign against those scourges.

52. It was imperative, therefore, to begin a realistic international dialogue in order to create a climate of trust and co-operation. The early launching of the global negotiations would be an encouraging sign but the fact that there had been no agreement on that launching was due once again to the stubbornness of the United States, now revealed to the entire international community as the true enemy of progress; it was to be hoped that the promises it had made at Versailles and in the Council would be translated into action. Even if the global negotiations were launched, the many problems in current national economic relations would not disappear overnight. Negotiations could not take place on the basis of preconditions and force. It was therefore essential to continue to denounce the methods by which some developed capitalist countries sought to maintain their hegemony over others, such as the use of food supplies as a means of political pressure and of State reserves to depress commodity prices, the imposing of interventionist terms of credit and the use of economic blockade against countries struggling to assert the right of self-determination.

53. It was preposterous that the Reagan Administration; which could not put its own house in order, should presume to lecture sovereign States on the ways in which they should organize their economies. A disciple of "Reaganomics" had tried, in the Council itself, to convince the socialist countries of the supposed benefits of the capitalist system of production, and a few months earlier the United States President had made a despicable proposal that Cuba should betray its fellow members of the socialist system. But Cuba's own experience of subjection to colonialism, neo-colonialism and imperialist oppression, and its subsequent history as a developing nation in defiance of a constant imperialist blockade, enabled it to judge what was best. Through its partnership with the Soviet Union and other socialist countries, and its membership of CMEA, it had obtained benefits which no capitalist economic system could have provided. It had benefited from the official development assistance provided by the Soviet Union, whose over-fulfilment, since 1980, of the contribution of 1 per cent of GNP set by the United Nations was an example for others to follow.

54. The results of the Ministerial Meeting of the Co-ordinating Bureau of the non-aligned countries held at Havana in May/June 1982, would serve to strengthen economic co-operation among developing countries and help to unify the developing countries' international action, and the meeting shortly to be held at Manila, to evaluate progress in the Caracas Programme of Action, would provide a further opportunity to show what the

developing countries could achieve, by close collaboration, in the hard struggle to ensure a better future.

55. Mr. TRINH VAN ANH (Observer for Viet Nam) said that the gloomy world economic situation had further darkened. The documents before the Council showed that there had been a sharp decline in economic growth rates, which had resulted in unprecedented unemployment in the capitalist countries. The inflation rate, too, was higher than ever before. The *World Economic Survey 1981-1982* showed that, as a result of the severe crisis in the capitalist world, the burden of which had been shifted on to the developing countries, the world economy had continued to deteriorate. The developing countries had consequently suffered a real decline in their *per capita* GDP for the first time since the late 1950s; their balance-of-payments deficits were continuing to grow, their export earnings to slow down, and their liquidity position to weaken. Largely as a result of high interest rates, which were a heavy burden on their fragile economies, the foreign debts of those countries were increasing. Meanwhile, their human and material resources, which might have been used to help them to overcome their economic difficulties, had been drained by the transnational corporations. The imperialist and hegemonist Powers had applied such measures as economic blockade, boycott, sanctions and suspension of aid against a number of developing countries, particularly those pursuing a policy of independence and self-reliance. The developing countries were clearly paying the highest price for the current economic crisis, of which the poorest countries were the worst victims.

56. Those depressing realities called for the urgent restructuring of the prevailing unjust system of international economic relations. The lack of progress in implementing the objectives of the Declaration on the Establishment of a New International Economic Order and the International Development Strategy for the Third United Nations Development Decade was due to the lack of political will on the part of some advanced capitalist countries, whose attitude had hardened.

57. The deterioration in the world economic situation went hand in hand with the increase of international tension. The world was passing through an extremely complex period, in which the imperialist and reactionary forces were endeavouring to lead mankind towards a nuclear holocaust and were encouraging their regional agents to oppose the national liberation and independence movements. World peace, independence, self-determination and the right to development, which were interrelated, were seriously threatened. Consequently, his country fully supported the important initiatives taken by the Soviet Union, the other socialist countries and the non-aligned countries in the context of disarmament, and particularly welcomed President Brezhnev's pledge that the Soviet Union would not be the first country to use nuclear weapons. The imperialist forces must put an end to the arms race for the sake of détente and development. The imperialists had fomented war in many parts of the world. His Government severely condemned the United States of America and Israel for their war of aggression

and genocide against the peoples of Palestine, Lebanon and other Arab States. It was confident that the just struggle of the Palestinian and other Arab peoples would triumph.

58. His country attached great importance to international co-operation with all countries, regardless of their political and social systems, based on respect for independence and sovereignty, equality and mutual benefit. To that end, the Socialist Republic of Viet Nam, the Lao People's Democratic Republic and the People's Republic of Kampuchea were sparing no efforts in working for a zone of peace, stability, friendship and co-operation in South-East Asia. As pointed out in the communiqué issued following the Sixth Conference of Foreign Ministers of the Lao People's Democratic Republic, Kampuchea and Viet Nam, the three Indochinese countries were prepared to discuss and settle regional problems with the ASEAN countries in accordance with the principles of equality, mutual respect and the non-imposition of the views of one party upon any other. His country therefore proposed that an international conference on South-East Asia should be convened with the participation of the Indochinese and ASEAN countries, Burma, the five countries which had participated in the international conferences on Indochina in 1954, 1961-1962 and 1973, and India. The Secretary-General of the United Nations would be invited to attend the Conference in his personal capacity, but if the Pol Pot clique was expelled from the United Nations, he could take part as the official representative of the United Nations.

59. As an act of good will, the People's Republic of Kampuchea and the Socialist Republic of Viet Nam had decided that a number of Vietnamese troops would be withdrawn from Kampuchea in July 1982. Depending on the state of security and stability on the Kampuchea-Thailand border and on Thailand's response to their initiative, they might consider a further withdrawal in the near future. That position had been welcomed by many Governments and by world public opinion.

60. In the context of subregional co-operation, Viet Nam had established all-round co-operation and mutual assistance with the Lao People's Democratic Republic and Kampuchea, in order to overcome difficulties in the development process. His Government's co-operation with the Soviet Union and other socialist countries represented a new type of international economic relations. The Soviet Union had provided his country with considerable assistance in its struggle for national independence and freedom and had offered its unconditional assistance during the reconstruction phase, in developing agriculture, industry and trade. Such aid, which differed entirely from the tied aid offered by

imperialist countries, was indispensable for withstanding the economic blockade and boycott imposed by certain imperialist and reactionary countries and for developing the country's independent and socialist economy

61. Despite numerous difficulties, Viet Nam had successfully developed trade, economic, scientific and technological co-operation with many developing and other countries, and particularly with friendly African countries in such areas as agriculture, health and education, in accordance with the objective of strengthening economic and technical co-operation among developing countries as provided for in the Caracas Programme of Action.

62. International assistance was extremely important for Viet Nam, which had suffered from one hundred years of colonial domination and over thirty years of war and now had to deal with hegemonist and imperialist threats. In its post-war reconstruction, it had enjoyed the valuable support and assistance of friendly countries, international organizations and non-governmental organizations. His delegation denounced the hostile policy pursued against it by certain countries, which had caused death and destruction. Washington and Peking were waging a war of attrition and using all forms of destabilization, such as economic blockade, embargo, internal economic sabotage and the suspension of humanitarian and other assistance, in an attempt to deny Viet Nam its legitimate right to development. Those Powers had even gone so far, in their hostile policy, as to oppose the provision of multilateral assistance by United Nations agencies and organizations. At the thirteenth session of the Committee on Food Aid Policies and Programmes, in April 1982, the United States had blocked the irrigation works project for Viet Nam, which had had the support of the majority of Committee members. At the twenty-ninth session of the Governing Council of UNDP, the United States and China had opposed the approval of the Viet Nam locomotive project, on purely political grounds. Contrary to the objectives and principles of the international organizations, those countries were using economic aid as a weapon to serve their political ends. If such hostile policies were not checked forthwith, many more countries would be victims of discrimination in international assistance and United Nations agencies and organizations would be unable to perform their functions effectively.

63. His delegation reaffirmed its commitment to the establishment of a new international economic order and its support for the early launching of global negotiations in accordance with the relevant United Nations resolutions.

The meeting rose at 5.20 p.m.

43rd meeting

Friday, 16 July 1982, at 10.45 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.43

In the absence of the President, Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)

1. Mr. OKWARO (Kenya) said that his delegation, too, was concerned over the state of the world economy. The recession described in the *World Economic Survey 1981-1982* affected all countries, rich and poor alike. It had spread from the developed industrialized countries to the developing countries, thus in a negative manner confirming the interdependence which now characterized the world economy.
2. The statistical indicators in the documents before the Council did not reflect the full gravity of the situation in individual developing countries. In the developing countries as a whole, the deceleration of the growth rate of GDP was alarming; in 1981, the rate of growth had been 0.6 per cent, whereas the average rate in the 1970s had been 5.5 per cent. In the circumstances, the 7 per cent growth target set in the International Development Strategy for the Third United Nations Development Decade might not be achieved unless global solutions capable of reversing that trend could be found.
3. The economies of the developing countries had been adversely affected by several external factors. Many of those countries, like Kenya, depended for their foreign-exchange earnings on the export of primary commodities, the prices of which were determined in developed-country markets. The fluctuations in those prices and the protectionist practices of the developed countries had resulted in a drastic fall in the foreign-exchange earnings of commodity-exporting developing countries. In the case of Kenya, the two main exports, coffee and tea, could not fully cover the cost of imports, including costly agricultural inputs, particularly at a time when oil imports alone consumed almost 40 per cent of its total foreign-exchange earnings. Those difficulties were compounded by the burden of debt-servicing, which in some developing countries could be as high as 25 per cent of export earnings. Governments were forced to borrow from external sources at high interest rates to finance essential imports, including capital goods.
4. To counter the effects of recession, the developing countries, including oil-importing countries such as Kenya, had had to make adjustments which, in certain cases, had themselves caused severe structural problems. The Governments of some developing countries had been forced to review their development plans and sometimes even to discontinue certain projects, at the risk of abandoning essential services. The Kenyan Government had endeavoured to focus on the development of manufacturing for export, using more labour-intensive and less energy-intensive industries as far as possible, such as cottage industries, which had the additional advantage of being adaptable to the rural areas where the majority of the Kenyan population lived.
5. The problem of food had of late become very serious, especially in Africa. Even those countries which in the past had been self-sufficient in food or actual food exporters had found themselves faced with critical food shortages. That was in part due to changes in climatic conditions, which no Government could control, but in most cases lack of investment in the food sector and lack of storage facilities had contributed to the shortage. Those developing countries with food shortages needed urgent and priority assistance from the developed countries. For example, the national food strategy adopted by the Kenyan Government would avert future food shortages, but its implementation would require external assistance.
6. The developing countries had sought to face the recent economic difficulties through co-operation among themselves, and in that connection the Caracas Programme of Action, the numerous meetings on economic co-operation among developing countries organized by the Group of 77, and the signing in December 1981 of the Treaty on the Establishment of the Preferential Trade Area for Eastern and Southern African States should be mentioned. There again, such South-South co-operation required the support of the international community and could not be an alternative to North-South co-operation.
7. The economies of the developing countries could not do without external financial assistance on concessional terms. Some developed countries had already reached the target for official development assistance set in the International Development Strategy, and it was to be hoped that the others would follow that example before long.
8. In that situation of world economic crisis, the United Nations was in the best position to launch and to promote international economic co-operation. Its role should be strengthened. Several United Nations conferences, for example the United Nations Conference on Science and

Technology for Development, held at Vienna in 1979, the United Nations Conference on New and Renewable Sources of Energy, held at Nairobi in 1981, and the United Nations Conference on the Least Developed Countries, held in Paris in 1981, all of which had been organized with the most praiseworthy aims in view, had failed to produce any worthwhile results, owing to the lack of interest of most of the developed countries. Some countries had even reduced their contributions to the United Nations system, weakening still further its capacity to help the developing countries, in particular through technical co-operation programmes. If that trend persisted, it could only undermine confidence in the system and increase the risks of tension and conflict.

9. Given the vast resources of technological know-how and managerial skills that the transnational corporations had at their disposal, they undoubtedly had a very important contribution to make to the restructuring of the world economy. His delegation therefore hoped that the formulation and adoption of a code of conduct for transnational corporations would not be delayed much longer.

10. In looking at the world economic situation, special attention should be paid to the problems of Africa, where the majority of the least developed countries were located. At the 41st meeting of the Council, the Executive Secretary of ECA had given a remarkable description of the situation in the continent. The summary of the survey of economic and social conditions in Africa, 1980-1981, and the outlook for 1981-1982 (E/1982/61) revealed the seriousness of economic conditions, which called not only for immediate short-term solutions but also for long-term structural adjustments. In the past, the international community, recognizing the need for basic and urgent action, had adopted important texts, such as the Lagos Plan of Action and General Assembly resolutions 32/160 proclaiming the Transport and Communications Decade in Africa and 35/66 B proclaiming the Industrial Development Decade for Africa, but they had produced little in the way of tangible results. His delegation therefore appealed to the international community to help the African countries to help themselves: *inter alia* by supporting the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted at the Paris Conference in September 1981.

11. The economic problems which the world was experiencing required a global approach if lasting solutions were to be found. Unfortunately, the consultations on the launching of global negotiations were deadlocked, while certain countries or groups of countries were attempting to solve those world problems through unco-ordinated national action. A new spirit of international economic co-operation must be nurtured which would make it possible to embark on real global negotiations, and his delegation hoped that the Council would adopt an appropriate resolution on that matter.

12. Mr. AL-MAHDI (Iraq) said that during the past year the international economic situation had deteriorated to a point where the developing countries were

bearing an intolerable burden. The growth rate had fallen from 4 per cent in the mid-1970s to 2 per cent in 1980 and 1981. During 1980, the rate of increase in international trade had fallen sharply compared to that of previous years; the fall was coupled to persistent inflationary pressures, balance-of-payments deficits, disorderly fluctuations in the exchange rates of major currencies and very high interest rates. The developing countries had suffered greatly from the situation, which had largely resulted from the short-sighted policies of some developed countries. Thus, the monetary policies pursued by certain market-economy countries to deal with internal inflation had led to a rise in interest rates in world money markets—a rise which had done much to increase the burden of debt-servicing for the developing countries. Debt-servicing payments, which had represented 25 per cent of those countries' export earnings in 1980, had amounted to 28 per cent in 1981. To give another example, the protectionist measures adopted by the developed countries had further restricted the access to those countries' markets of the developing countries' products, leading to a deterioration of the developing countries' trade balances and the stagnation of their export industries.

13. The idea of global negotiations within the United Nations relating to international economic co-operation for development taken up by the General Assembly at its thirty-fourth session (resolution 34/138), had met with indifference by certain developed countries and in some cases by outright rejection. Those same countries had consistently opposed the constructive proposals presented by the Group of 77, insisting on maintaining the jurisdiction and powers of the specialized agencies, in particular those of IMF and the World Bank—which meant denying the very idea of the globality of the negotiations. His delegation urged those countries, particularly the United States of America, to adopt a more positive approach.

14. During the past year, important international and regional meetings had been organized to seek remedies for the world economic crisis. Notable in that regard were the summit meeting at Cancún, held in October 1981, which unfortunately had failed to reach an agreement on the major issues of concern to the developing countries, chiefly owing to the position adopted by the United States in regard to global negotiations; the United Nations Conference on New and Renewable Sources of Energy, which had adopted important decisions, and lastly, the United Nations Conference on the Least Developed Countries, which had adopted a Substantial New Programme of Action for the 1980s for those countries. His delegation appealed to the international community, in particular the developed countries, to assume their international obligations in implementing that Programme.

15. With regard to co-operation among developing countries, he noted that the developing countries had begun to apply the Programme of Action adopted at Caracas in 1981. In March 1982, a meeting had been held at Baghdad to consider the establishment of an inter-

national fund to alleviate the adverse effects of "imported" inflation on the developing countries; the proposal adopted had been approved by the Group of Experts of the Group of 77 and was to be the subject of negotiations with the developed countries. The Group of 77 had also held an informal meeting at New Delhi in February 1982, to look into the possibility of strengthening economic co-operation among developing countries, in view of the difficulties they were facing, since the North-South dialogue was at a standstill.

16. At the regional level, his delegation noted with satisfaction that ECWA, at its ninth session, held at Baghdad, had adopted resolutions and decisions calculated to stimulate the economic development of the region's member countries. It had approved the medium-term plan for 1984-1989, which it was to be hoped would also be endorsed by the Council. Moreover, the principle of zero-growth budgeting in the United Nations should not apply to ECWA, which had been in existence only a few years and had not yet had time to establish the requisite machinery for carrying out its functions. ECWA was now located at Baghdad, and the Iraqi Government had taken all the measures needed to facilitate its work: the building of temporary headquarters pending the completion of permanent headquarters by the end of 1982, and the construction of housing and a United Nations international school.

17. In recent years, the region of Western Asia had been the scene of unprecedented aggression by the Zionist entity; the aggression committed in 1981 against Iraqi nuclear installations, operating for peaceful purposes, had been widely condemned in international forums. The General Assembly had strongly condemned the Zionist entity, in its resolution 36/27, for its premeditated and unprecedented act of aggression in violation of the Charter of the United Nations and the norms of international conduct. The barbarous aggression launched in 1982 against the Lebanese and Palestinian peoples should be strongly condemned by the international community. The necessary sanctions should be taken against the aggressors, and the unconditional withdrawal of the Zionist forces of aggression must be secured.

18. Moreover, the conflict started by the Iranian régime against Iraq had led to severe adverse consequences for both countries. Iraq had been obliged to halt its assistance to developing countries. The Iranian régime had not only rejected the efforts towards a settlement made by the Organization of the Islamic Conference, the non-aligned countries and the United Nations but had reaffirmed its long-declared intention of invading Iraq. Iraq, for its part, had repeatedly expressed its readiness to settle the conflict peacefully, on terms honourable for both parties.

19. The military collaboration between the Iranian régime and the Zionist entity, the present attempts by Iran to encroach upon the territorial integrity of Iraq and the Zionist aggression against Lebanon and the PLO constituted a great threat to stability and security in the region, and to stability and peace in the world in general.

20. In September 1982, the Seventh Conference of

Heads of State or Government of Non-Aligned Countries, for which all preparations had been completed, would be held at Baghdad. The Iraqi delegation hoped that the Conference would contribute, by means of specific proposals and decisions, to redressing the balance in the world economy and would foster economic co-operation among developing countries, on the basis of collective self-reliance and with the aim of the establishment of a new international economic order.

21. Mr. JOSEPH (Australia) said that his delegation was circulating the full text of its statement to members of the Council and that he would concentrate, in his oral statement, on the single theme of protectionism.

22. The Australian Government was aware that world economic conditions were at their lowest ebb for more than 30 years and there was little sign that a strong and durable recovery was imminent. In his opening statement (30th meeting), the Secretary-General had warned member countries of the dangers of the situation, and his warnings had been echoed by many delegations. However, in the face of that situation, many Governments were tempted to resort to a "beggar-my-neighbour" approach and launched into protectionism, leaving their trading partners to shoulder the burden of essential structural adjustment. It must also be observed that it was the industrialized democracies that all too often gave the lead in that futile approach. For a number of decades, the industrialized countries had increasingly been resorting to various forms of government intervention, either at the frontier or domestically, producing distorting effects on world trade. Such measures fed inflation, increased budget deficits, impeded trade flows and obstructed economic recovery. The removal of the various protectionist devices, particularly those that had proliferated in recent years, could therefore be considered a necessary pre-condition for world recovery. Accordingly, at the economic summit meeting at Versailles in June 1982, Australia had submitted a two-point proposal, which it intended to press vigorously at the GATT ministerial meeting in November 1982. It envisaged, firstly, a standstill on existing protectionist measures having a distorting effect on trade and, secondly, an agreement for the gradual elimination of protectionist measures and artificial support for industry.

23. Since that was not the first occasion on which such proposals had been made, they might be received with undisguised scepticism. What was new about the Australian initiative, however, was that his Government was fully prepared to put it into effect forthwith and had proposed a timetable for its implementation, with a freeze as from 1982 and a gradual elimination of protectionist measures over five years. It would, of course, not be possible for any one country acting alone to take such action, but Australia's position in world trade was not insignificant, and if other major trading nations agreed to take such steps, it would immediately do the same. His Government would certainly spare no effort, at the ministerial meeting of GATT, to induce ministers to

move from declarations of intent to practical and immediately applicable measures.

24. Australia's proposals admittedly raised sensitive issues, particularly as far as export subsidies and incentives were concerned. In that area, too, his country was proposing a moratorium and a phasing out of existing measures. It was convinced that artificial measures to support "lame-duck" industries diverted economic resources that could be used for productive purposes. By ending such measures, it would be possible to reduce budget deficits, lower interest rates and stimulate economic activity in general.

25. The industrialized countries, including Australia, would not be the only, or even the main, beneficiaries should such a proposal be implemented. The developing countries could benefit enormously if they could obtain greater access for their products to markets currently closed to them, or not as open as they should be. The opening of markets to developing countries would also be in the interest of the developed countries.

26. Australia did not claim that its proposals were the only ones worth considering or that protectionism was the only issue to be tackled. It was aware that its proposals would not be easy to implement and that there would be difficulties, for example, in deciding whether or not some practices came within their scope. There would be political considerations to be taken into account and pressure groups to be faced. To check protectionism, however, might be the only way of re-stimulating the global economy without an undue risk of re-stoking inflation. Moreover, Australia's proposals would help to bring the North-South dialogue out of its existing impasse and to break the vicious circle in which the negative influences in the world economic situation had constantly strengthened one another in recent years.

27. Mr. POUYOUROS (Observer for Cyprus) said that members of the Council should adhere to the objective of global growth recommended by the Secretary-General in his opening statement and seek to develop a recovery programme for the world economy aimed at alleviating the excessive burden placed by the current crisis on the developing countries, particularly the least developed and other structurally disadvantaged countries.

28. It was essential, above all, to assist the hundreds of millions of people who were suffering from hunger and malnutrition. Priority action must also be taken in favour of countries whose economic and social development was retarded, or even curtailed, by foreign domination or intervention in their internal affairs. The Secretary-General had warned the international community against the danger of world conflict as a result of the renewed tendency among nations in recent years to settle their disputes by force. Only by reversing that trend would it be possible to promote the economic and social development of all countries and, in particular, to bring about an equitable integration of the developing countries in the international economic system.

29. It must be realized that the rich countries were becoming richer and the poor countries poorer and that

that situation, in the last analysis, was detrimental to all countries. Inflation and unemployment had reached crisis proportions. It was essential to engage in a dynamic process of adjustment as the only means of fostering growth and stability and the establishment of a more equitable international economic order. It was high time for those with the wealth and power to take practical action in the interest of North and South alike.

30. The momentum and spirit of the Versailles summit meeting and the flexibility shown by the Group of 77 must lead to the early launching of global negotiations, which should focus on problems of energy, the international monetary system, investment, the liberalization of trade, the transfer of technology, increased food production, etc. The permanent dialogue between developed and developing countries had already produced results. The Economic and Social Council was the central body of the United Nations system concerned with international co-operation, and its current session provided its members with an opportunity for strengthening such co-operation.

31. Mr. AL-JABER (Qatar) said that the world economic crisis was having very serious repercussions on the developing countries, particularly the least developed countries, through the transfer of inflation, indebtedness, the rise in interest rates and other economic phenomena beyond their control. The result was a decline in their growth rate which appeared unlikely to be checked in 1982, or even a fall in real *per capita* income.

32. In Qatar's view, the real problem lay in the weakening and erosion of international co-operation. A first and crucial step should therefore be to launch global negotiations aimed at restructuring the existing international economic order on a more equitable basis.

33. The gap between the few extremely rich countries and the many poor countries was widening, largely because the developing countries' products had insufficient access to world markets. The ever-increasing resort to unilateral and bilateral action at the expense of international co-operation was wrong, and must be abandoned. It was also essential to end the unequal division of the world into rich and poor countries, which perpetuated the international division of labour that had come into being under the colonial system, and which was prejudicial to the vital interests of the developing countries.

34. The constant growth in military expenditures was a political obstacle to development. Despite the increasing calls for disarmament, the twelfth special session of the General Assembly held in New York and devoted to disarmament had failed to achieve any satisfactory results because of the evident lack of political will to halt the arms race.

35. Efforts to end the crisis must be made on all fronts. The international community must at once condemn Israel for having invaded Lebanon, in flagrant violation of the principles of the Charter of the United Nations, of international law and of the 1949 Geneva Conventions, and must call upon Israel to withdraw its forces from Lebanon immediately and unconditionally, in accordance

with Security Council resolutions 508 (1982) and 509 (1982).

36. Mr. MAKSIMOV (Byelorussian Soviet Socialist Republic) said that his delegation had carefully studied the *World Economic Survey 1981-1982* and, while recognizing that a great number of problems of concern to the international community were mentioned in it, did not always agree with the conclusions and forecasts it contained. The Secretariat did not lay sufficient stress in the *Survey* on some causes of inflation: it failed to indicate sufficiently, for example, the effects of military expenditures, the impact of the crisis affecting the developed market-economy countries on the developing countries, or the consequences of the policies of the capitalist countries and transnational corporations for world trade. The statements made during the general discussion showed clearly that that shortcoming of the *Survey* was recognized by many delegations. It would therefore be necessary to supplement the *World Economic Survey* in the light of the discussion in the Council and to lay further stress on the means used by the capitalist countries to transmit the crisis to the developing countries: interest rates, prices of raw materials, fluctuations in exchange rates, protectionist and restrictive measures, etc. In a report published recently, the secretariat of UNCTAD had stressed the major role played in the crisis by the transnational corporations, which controlled the production and prices of the essential products of the developing countries, as well as the trade in those products. Furthermore, attention should be drawn to the discriminatory measures taken by the United States of America, which had very marked destabilizing effects on international trade and ranged from economic embargoes to the setting of extremely high interest rates, in addition to the refusal to grant credits. It would be naive to think that those measures would make it possible to resolve the problems of the developed capitalist countries. In fact, one of the main obstacles to the solution of economic and social problems was the arms race engaged in by the main capitalist countries, which were trying to base their relations with peace-loving States on force and intimidation. In that connection, his delegation associated itself with the countries which had condemned the invasion of Lebanon by Israel; it also condemned certain Western countries which, in order to perpetuate their colonial domination, were prepared to violate the principles enunciated in the Charter of the United Nations.

37. The socialist countries, for their part, wished to eliminate those hotbeds of tension and had proposed solutions to that end. The message from Mr. Brezhnev to the General Assembly at its twelfth special session (second special session devoted to disarmament) had been concerned with the desire for peace which constituted the major element of the USSR's foreign policy. The USSR had declared that it would not be the first to use nuclear weapons, and it was to be hoped that other nuclear States would emulate that initiative, which was also designed to increase trust among States. A reading of the report of the Committee for Development Planning (E/1982/15 and Corr.1 and 2) confirmed the need to halt

the arms race if it was hoped to make progress in implementing the International Development Strategy for the Third United Nations Development Decade. Only a reduction in military expenditures would release the resources necessary to fight against hunger in the world and to achieve the objectives of the Decade.

38. Returning to the *World Economic Survey*, he noted that the methods and criteria used by the authors of the document were those of the capitalist system and that their application to the system of socialist countries resulted in erroneous conclusions. The scientific method of economic planning used by the socialist countries enabled them to achieve a balanced development in which human potential, as well as scientific and technical capacities, developed harmoniously.

39. Sixty years had passed since the formation of the Union of Soviet Socialist Republics, and its peoples had developed in a freely chosen system. The Byelorussian SSR, which had been very backward before the October Revolution of 1917, had been rapidly transformed into a country with a diversified economy, and a high technical and scientific level; in addition, it had made constant progress in the cultural and social fields. In 1981, the national income had increased by 5 per cent, industrial output by 4.5 per cent and the real income of the workers by 3.2 per cent. It was estimated that the national income would increase in 1982 by 4.2 per cent and, for the period 1980-1985, it should rise by 23.3 per cent; industrial output should rise, in the same period, by 28 per cent and the real income of the population by 16.6 per cent.

40. In the Byelorussian SSR, between 1976 and 1980, the annual volume of agricultural production had risen by a factor of 1.6 compared with the period 1961-1965. For the period 1980-1985, an increase was also expected in the production of grains, milk, meat and vegetables, through the efficiency of the kolkhozes and sovkhozes, which were modern production units using sophisticated scientific and technical equipment. However, the individual subsidiary farms also contributed to agricultural output. That characteristic had, moreover, been mentioned in the *Economic Survey of Europe*,¹ in which it had been stated that those individual subsidiary farms were supported by the kolkhozes and sovkhozes, which provided individual farmers with fodder for cattle and agricultural equipment and helped them to build homes, agricultural buildings, etc.

41. On the whole, the socialist countries had been able to escape the effects of the crisis which was taking place in the Western countries, through their integration within the framework of CMEA and the solidity of their national economies. With regard to the developing countries, the Soviet Union maintained mutually profitable relations providing for co-operation in the economic, scientific and technical fields. As could be seen from the letter dated 12 July 1982 from the head of the delegation of the USSR, addressed to the President of the Economic and Social Council (E/1982/86) the assistance of the Soviet Union to developing countries had amounted to nearly 30 billion

¹ United Nations publication, Sales No. E 81 II E 1

roubles for the period 1976-1980), and the ratio between the volume of net economic aid to the developing countries and the annual GNP of the USSR had risen from 0.9 in 1976 to 1.3 in 1980. That assistance, based on the Leninist principles of international relations, differed from the aid provided by the capitalist countries, which was a tied aid that sought to maintain the developing countries in a state of dependence.

42. The Economic and Social Council, which was concerned with economic problems, had an important task to fulfil. It should concentrate its efforts on the implementation of the Charter of Economic Rights and Duties of States and of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. It should also examine the problems connected with the brain-drain from developing countries, the exploitation of the resources of the developing countries by the transnational corporations, protectionism and the transmission of inflation from the developed countries to the developing countries.

43. Mr. PICTET (Observer for Switzerland) said that his delegation shared the conclusions drawn by the Secretary-General regarding the world economic situation. The hopes for a revival of economic activity during the current year were growing increasingly dim. If anything, conditions seemed to be worsening, and although further progress could be expected in the struggle against inflation, that positive feature was offset by the gloomy prospects for employment, since in the OECD countries alone all the signs were that there would be over 30 million unemployed in the coming year.

44. Persistent instability was affecting basic factors in the world economy, such as exchange rates, interest rates and commodity prices. Exchange-rate fluctuations, which often bore no relation to economic facts, constituted an element of uncertainty which hampered trade. The high level of interest rates had also become a major problem, since it increased public debt and inhibited the investment which was still essential for the improvement of the job market. Current commodity price levels scarcely covered firms' operating expenses, thus discouraging investment, reducing the producing countries' export earnings and, in the long term, weakening the consuming countries' security of supply.

45. The situation was clearly troubling all nations, but the chief threat was to the weakest countries. In 1982, the economic situation in many developing countries would undergo a further serious deterioration, and their *per capita* GNP was liable to fall in absolute terms because of the constant growth of their population.

46. Switzerland, whose national income depended to a large extent on the performance of the world economy, was obviously following developments with growing concern. But it would be just as risky to give way to undue pessimism, and it had to be acknowledged that, in many fields, those active in the economy—Governments, businessmen, workers, consumers—had recently made notable efforts. One example of that was structural adjustment. Despite the almost daily protectionist pressures on Swiss authorities at the national level,

Switzerland had maintained, throughout the past decade, an open approach aimed at promoting industry's progressive adaptation to the requirements of international competition in foreign and home markets alike. As a result, the share of imported goods in GNP had risen, in real terms, from 30 per cent in 1970 to 42 per cent in 1980, and that of exports from 24 to 34 per cent. The home market had thus declined in importance, and Swiss industry had had to turn increasingly towards exports. There had been some basic structural adjustments; for example, between 1970 and 1980, the number of jobs had fallen by over 43 per cent in watchmaking, 42 per cent in clothing and 39 per cent in textiles. It had been possible to effect those adjustments while maintaining a high level of employment in the economy as a whole. The current problems, therefore, should not be insoluble, and there was no cause for defeatism.

47. It was in that spirit that the Swiss delegation had studied the co-ordinated world recovery programme proposed by the Secretary-General. The programme was based on a finding which Switzerland fully supported: the only way to reverse the current negative trend was resolutely to set about defining a framework for international co-operation. It would not do, of course, to try to formulate a single policy to be applied indiscriminately to all countries. What was needed was a differentiated approach, in which each country's particular circumstances and specific possibilities could be taken into account, and without prejudice, moreover, to the progress made during the past few years towards a firmer management of economic policies.

48. The five-point proposal presented by the Secretary-General at the Council's 30th meeting might serve to expand that framework; in that connection, a number of forthcoming events should be borne in mind. Firstly, there was the launching of global negotiations, which, for the Swiss delegation, remained a highly desirable aim; the few outstanding obstacles could be overcome, given a little goodwill by all parties. Secondly, the thirty-eighth session of the Contracting Parties to the General Agreement on Tariffs and Trade was due to be held in November 1982, at the ministerial level. The participants must seek ways of ensuring a closer integration, under more appropriate conditions, of the developing countries in international trade. That ministerial meeting would be a unique opportunity, and it would be unforgivable not to grasp it in order to negotiate a solution relating to safeguards clauses. The practical value of trade concessions within GATT and the prospects for progress in opening up markets depended, to a large extent, on the fairness of safeguards clauses. A third important event was the sixth session of the United Nations Conference on Trade and Development, at which, *inter alia*, the question of commodities would be considered. Prevailing commodity market conditions were worrying; market stabilization mechanisms performed poorly or were slow to take effect. Participation in commodity agreements was too narrow for them to have significance. The Swiss Government, for its part, had decided to ratify shortly the Agreement Establishing the Common Fund for Commodities.

Fifthly, financial and monetary questions related to development were shortly to be discussed in several international forums. The stagnation or even decline in official development assistance funds for the developing countries, particularly the least developed, gave cause for concern. The Swiss Government had regularly increased its contributions in recent years and was determined to go on doing so. It wished in particular to see a strengthening of multilateral institutions for development co-operation, which, in addition to their direct role in technical and financial assistance, played an essential role as official assistance co-ordinators and catalysts.

49. Since there were limits to the increase in official development assistance, new instruments ought to be envisaged in order to deal with the financial imbalances in the developing countries. For that reason, studies relating to the establishment of a multilateral investment guarantee, the formation of a multilateral export credits guarantee facility and an increase in co-financing bringing together public and private funds in accordance with new arrangements should be speedily carried out.

50. The economic interdependence of all countries in the world had reached a point at which individual action by any one country made sense only if it was complementary to joint measures supported by a majority of members of the international community, developed or developing. For that reason, the Swiss Government would strive by all means, at the forthcoming meetings he had mentioned, to strengthen the spirit of international economic co-operation and to seek and apply appropriate solutions.

51. Mr. GUNA-KASEM (Thailand) said that the *World Economic Survey 1981-1982*, the report of the Committee for Development Planning (E/1982/15 and Corr.1 and 2) and the Secretary-General's opening statement (30th meeting) were sure to assist the Council greatly in its work. World economic problems had scarcely altered since 1981; if anything, the recession was persisting and spreading throughout all major regions and groups of countries. Economic interdependence had never been so clearly demonstrated. The developing countries, particularly the oil importers, were still facing the same difficulties: rising unemployment, increasing indebtedness, higher interest rates, runaway inflation, rising costs of energy and manufactured goods, unstable prices of primary commodities and growing protectionism in the industrialized countries. The latter, too, were beginning to feel the impact of the economic crisis, but the third-world countries were unquestionably the ones worst affected. The best way to revive the world economy would be to speed up economic and industrial development in the third-world countries, so that they in turn could contribute to recovery in the developed countries.

52. Various recent studies pointed to the urgent need for global negotiations, as well as measures in areas of vital importance to the developing countries, including food, energy, finance and trade. The same conclusion had been reached by the participants in the Ministerial Meeting of the Co-ordinating Bureau of the Non-Aligned

Countries, held at Havana in June 1982. Moreover, the participants at the Versailles summit meeting had not only made progress with regard to the question of global negotiations but had also shown their readiness to take specific action in those areas. The Group of 77, for its part, had striven to arrive at a compromise in order that global negotiations could be organized. It was to be hoped that the goodwill evinced at Versailles and the flexibility shown by the Group of 77 would enable those negotiations to be launched very shortly, perhaps at the beginning of the General Assembly's thirty-seventh session.

53. Special attention should be paid to the oil-importing developing countries; they should be helped to explore and exploit their own energy sources, particularly under regional co-operation agreements. For that purpose, short-term arrangements to provide additional financial and technical resources were indispensable. In addition, the volume of development assistance must be increased. Some industrialized countries had actually reduced the volume of their assistance, contrary to the recommendations contained in the International Development Strategy for the Third United Nations Development Decade. His delegation thanked those developed countries which had devoted a high proportion of their GNP to official development assistance or were making efforts to do so.

54. It had long been recognized that economic and technical co-operation among developing countries could greatly assist the latter in attaining individual and collective self-reliance. Several international meetings and conferences in recent years had contributed to the progress of such co-operation. Much remained to be done, however, in order to realize fully the vast potential in that field and to establish technical co-operation among developing countries on a durable basis. But co-operation among developing countries was not enough; North-South co-operation must be fostered also, the two being mutually complementary.

55. Thailand, as a producer and exporter of food, was keenly interested in food questions. ESCAP had discussed those questions extensively and had studied the possibility of promoting food security through the setting up of food reserves at the subregional and regional levels, and it had decided to undertake an in-depth feasibility study on ways to contribute to the food security of countries in the region of Asia and the Pacific. Thailand also believed that a comprehensive programme should be undertaken to combat food shortage and crises, including measures to increase agricultural production, liberalize trade in agricultural produce and provide better access for the developing countries to the developed countries' markets.

56. The sixth session of the United Nations Conference on Trade and Development, and the GATT ministerial meeting to be held in November 1982, were of the highest importance. The participants at the GATT meeting should give priority to evolving an objective, effective and "transparent" safeguards system. That meeting should also guarantee to the developing countries the observance

of the GATT rules, which had often been violated by the developed countries in recent years.

57. With regard to the social aspects of the Council's activities, his delegation wished to draw members' attention to the question of refugees and displaced persons. Thailand and other countries of ASEAN were still experiencing grave problems in that regard, as was noted in the report of the United Nations High Commissioner for Refugees (E/1982/29 and Corr.1). In April 1982, there had still been some 191,000 displaced persons in Thailand, not counting the fact that over 280,000 persons were living in camps along the frontier between Thailand and Kampuchea and that 100,000 Thai villagers had had to abandon their homes because of the situation in Kampuchea. In order to cope with the problem, the Thai Government would continue to adhere to humanitarian principles and to the principle of national sovereignty and security. It would continue its political and diplomatic efforts to induce the international community and international organizations to share in solving that grave humanitarian problem. Thailand urged the High Commissioner to go on assisting in those efforts, and appealed to donor countries to increase their contributions. It also appealed to countries which had not yet done so to take in refugees or pledge contributions. Thailand hoped that the conflict in Kampuchea would soon be resolved in accordance with the principles set forth at the International Conference on Kampuchea, held in July 1981, and with the relevant United Nations resolutions. Thailand, in co-operation with several donor countries, had also stepped up surveillance in the Gulf of Siam in order to combat piracy.

58. If the Economic and Social Council, at its current session, could make the international community aware of the gravity of the problems and—even more important—could help to evolve a pragmatic strategy aimed at gradually reviving the world economy, its efforts would not have been in vain and it would have given clear proof of its vitality.

59. Mr. KERAMANE (Observer for Algeria) said that the Economic and Social Council, which played a central role in the United Nations system, should be able to stimulate dialogue and give the necessary impetus to international co-operation. Unfortunately, there was no denying that the system was under attack; efforts were being made to undermine its credibility, so as to make it easier to impose new forms of domination on the third-world countries. A comprehensive assessment of world economic and social conditions must, therefore, take into consideration the main features of the deterioration in international relations.

60. The worsening of the political situation was highly disquieting. The daily accelerating arms race, the deployment of new weapons, the increase in military budgets, the resurgence of the cold war and the resultant increase in the number of trouble spots in the developing countries, and the stepped-up redeployment of the forces of domination were factors seriously threatening both the security and the development of the third-world countries, which, despite their own wishes, had become

strategic stakes in an implacable struggle for the expansion of spheres of influence. Thus, Lebanon was being subjected to blind and brutal military aggression, involving the use of weapons of mass destruction and extermination. The civilian population was being hard hit and the Palestinian people harried, even in the refugee camps. That tragedy showed once again that any just and lasting peaceful settlement of the Middle East conflict must be based on respect for the Palestinian people's inalienable rights, including its imprescriptible right to self-determination and to the creation of an independent and sovereign State. The collusion and complaisance which had abetted that aggression highlighted the degradation of morality and international law.

61. All reports and studies on the international economic and social situation arrived at the same finding: the structural crisis affecting the world economy had become considerably worse and was sparing no country or group of countries. The developed countries were experiencing inflation, unemployment and stagnation in national income, and the developing countries were directly affected by the sometimes tragic consequences of the chaos reigning in the world economy and the failure of the international economic system. The upsurge of protectionism had dealt a severe blow to the essential sectors of the third-world countries' economies, the fall in commodity prices had reached unendurable proportions, and rash monetary policies had drastically worsened those countries' situation and the imbalance in their economies. Moreover, spiralling interest rates imposed heavy financial burdens on them, which might necessitate painful cuts in their development projects and deny them access to money markets and multilateral sources of development finance. Their indebtedness was worsening, whilst poverty, hunger and death took a rising toll of their populations. The list of the least developed countries was lengthening, and official development assistance, which was constantly shrinking, was being channelled towards narrow targets.

62. At the same time, there was an increasing disinclination for dialogue and a growing resort to selective bilateralism. Discriminatory practices were written into legislation, and States, in their economic relations, were striving to secure political advantages and to carve out for themselves the lion's share. Whether at the global or the sectoral level, there was no genuine negotiation based on the principles of equality, democracy and common interest. The hardening of relations had been further aggravated by a recent decision not to subscribe to the Convention on the Law of the Sea, which had taken nine years of intensive work to prepare. The same type of attitude had been evident in the consultations to draw up the provisional agenda for the sixth session of the United Nations Conference on Trade and Development, and it was surely the same inflexibility which had prompted the unilateral desire to submit further sectors of the world economy to the constraints of GATT and to impose international rules of conduct in the sphere of services, investment and high-technology products.

63. Algeria was disturbed by the daily attacks against

the United Nations. The current crisis called for a collective reaction on a world scale; in that connection, the global negotiations were of vital importance. For almost three years, the Group of 77 had been displaying notable flexibility and open-mindedness, which had made it possible, at the General Assembly's eleventh special session in September 1980, to reach a compromise accepted by the great majority of the members of the international community. Since then, two years had been spent in studying the constantly reiterated demands of the tiny minority called upon to join the consensus, and quite recently the developing countries had accepted two of the four amendments submitted to them. The other two amendments would interfere with the delicate balance between the General Assembly's guiding role in the global negotiations and the particular role of the specialized agencies; the Group of 77, therefore, had been unable to accept them. On those two points, the developing countries had submitted their compromise proposals to their partners in early July, and they hoped that there would be a favourable response, so that the negotiations, already unduly delayed, could be launched in the near future.

64. For many years, the developing countries had been striving for mutually beneficial ties of economic co-operation, aimed at strengthening their collective self-reliance. At the High-level Conference on Economic Co-operation among Developing Countries, held at

Caracas in May 1981, a Programme of Action in that sphere had been approved; since then, many meetings had already been organized, on energy, financial matters, science and technology, vocational training and the capital goods industry. The Caracas Conference had also enabled machinery to be set up to facilitate and expand co-operation among developing countries. Co-operation among developing countries had thus entered a tangible phase and was an integral part of the process of establishing a new international economic order. It could be no substitute for the North-South dialogue but was, rather, to be viewed as a supplementary component; however, its special importance during the present critical period should be recognized.

65. In conclusion, the fact that the economic crisis and underdevelopment were worsening and spreading made it essential to engage in a genuine, organized and responsible dialogue commanding universal acceptance and carried on in a multilateral democratic framework, with a view to the establishment of a new international economic order. The United Nations was the perfect forum for the promotion of such a dialogue, which must enable the members of the international community to make an accurate assessment of the problems and to solve them by demonstrating the requisite political will.

The meeting rose at 1.25 p.m.

44th meeting

Friday, 16 July 1982, at 3.25 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.44

In the absence of the President, Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments *(continued)*

1. Mr. TERREFE (Ethiopia) observed that the current year was characterized by world-wide structural disequilibrium, marked by prolonged monetary instability, high interest rates, inflation, unemployment, intensified protectionist measures, widening payment deficits and uncertain growth prospects. International political, economic and social tensions had exacerbated the situation. The acute plight of the developing countries, particularly the least developed countries such as Ethiopia, should be viewed within the wider crisis. Reductions in aid, together with additional barriers
2. The summary of the survey of economic and social conditions in Africa, 1980-1981, and the outlook for 1981-1982 (E/1982/61) showed that agricultural production had failed to grow sufficiently. In East Africa and the Sahel, drought had caused a shortfall in food and cash-crop production and severe livestock losses. Although measures taken to improve the land tenure system in a number of countries had been beneficial, African food prospects had deteriorated. The industrial

against trade and international economic co-operation, had hampered the achievement of the economic and social goals of developing countries. Intensified exploitation by foreign monopolies and transnational corporations, combined with other economic problems, had caused the majority of African countries to record zero or negative growth rates in 1980. The international economic crisis had now reached a dangerous stage. As the Executive Secretary of ECA had rightly pointed out (41st meeting), the magnitude of the crisis was a tremendous threat to the African economy.

2. The summary of the survey of economic and social conditions in Africa, 1980-1981, and the outlook for 1981-1982 (E/1982/61) showed that agricultural production had failed to grow sufficiently. In East Africa and the Sahel, drought had caused a shortfall in food and cash-crop production and severe livestock losses. Although measures taken to improve the land tenure system in a number of countries had been beneficial, African food prospects had deteriorated. The industrial

and communications sectors had to be developed during the current decade. Although government participation in manufacturing industries in almost all African countries had expanded, the need to reduce Africa's extreme dependence on exports of primary commodities had been recognized. Oil imports had absorbed over 30 per cent of the export earnings of a number of countries.

3. In a number of developing countries, particularly in Africa, there were more hungry, sick, homeless and uneducated people than at the time of the Council's establishment. The problem underlying the current situation was one of economic and social injustice, which called for structural readjustment in international economic relations, and particularly for a change in the relationship between Africa and the developed world, so as to make the African economy less vulnerable to the crisis created by the economic policies of the industrialized countries.

4. The President of the Economic and Social Council had rightly described the current state of the world economy as a situation characterized by the deepening of the contradiction between old relations and new needs. Three quarters of the world's income, investment and services, and nearly all research efforts, were in the hands of the developed economies.

5. *The World Economic Survey 1981-1982* indicated that the deepening recession in the developed market-economy countries in 1981 and the first half of 1982 had led to insurmountable difficulties in most developing economies. It had forced the developing countries to curtail imports and that had led to a decrease in investment and *per capita* consumption. The phenomenon severely affected the economies of many of the least developed countries, which, far from achieving the average growth rate of 7 per cent envisaged in the International Development Strategy for the Third United Nations Development Decade, had registered a fall in *per capita* GDP.

6. *The World Economic Survey 1981-1982*, and other statistical sources, indicated that 1981 had marked the fourth consecutive year of current-account deterioration for many developing countries, particularly the least developed countries. While official development assistance in 1980 had expanded, import prices had increased by some 25 per cent. The total level of indebtedness of many developing countries, and particularly of the least developed, had continued to rise. Africa's external indebtedness had reached \$47.8 billion and the cost of its debt servicing in 1981 represented 14 per cent of the value of its exports of goods and services.

7. The need for an adequate flow of resources to the poorest sector of the world, without any discrimination and in a spirit of co-operation and burden-sharing, was clearly recognized. His delegation shared the Secretary-General's concern at the current trend in the world economy and his conviction of the urgent need for concerted international action, which should aim at a broad economic recovery, and it had noted with appreciation the USSR representative's statement that the total volume of Soviet economic assistance to developing

countries from 1976 to 1980 had amounted to 1 per cent of the GNP of the USSR.

8. Primary commodity markets continued to be important sources of foreign exchange for many developing countries. The Integrated Programme for Commodities deserved full support. The developed countries must make genuine efforts with real goodwill to finalize current commodity agreement negotiations and to begin negotiations on new agreements. The Agreement Establishing the Common Fund for Commodities was a case in point. His country had signed and ratified that Agreement in the sincere hope that it would have a positive influence in the stabilization of commodity prices. He hoped that many countries would sign it and complete the process, enabling the Common Fund to become operational at an early date.

9. While the long-term objective was to forge new and just economic relations between developed and developing countries, regional efforts, particularly in Africa, had to focus on economic self-reliance. The establishment of new institutions to promote economic and social integration through sub-regional co-operation in the developing regions was a priority task. For the African region, it was the essence of the Lagos Plan of Action and Final Act.

10. The effort of the African continent for economic survival and self-reliance would require financial and technical inputs at the national and regional levels. Meanwhile, emergency humanitarian assistance would be required to alleviate the plight of the victims of natural and man-made disasters and lay the foundations for their more permanent integration in society. Despite his Government's repeated appeals for due importance to be given to the pressing needs of displaced persons, the international community had not yet given an adequate response to the report of the United Nations Inter-Agency Mission to Ethiopia (E/1980/104) outlining the needs of some 5 million people affected by natural and man-made disasters.

11. The establishment of a new international economic order would be meaningless if it failed to guarantee to the developing countries freedom from exploitation, full sovereignty over their natural resources, and peaceful economic and social development in the direction of their own choice. It was in that light that his delegation viewed the threat posed by thousands of international monopolies, which not only siphoned off profits amounting to tens of billions of dollars annually from developing countries but had a powerful economic and political influence on government decisions and policies affecting the everyday life of a vast segment of the population of the developing world. Peaceful development could not take place in a world in which there was global and regional confrontation and in which the arms race, particularly the nuclear arms race, threatened the survival of mankind. The world scene could have been considerably changed if 1 per cent of the \$650 billion being spent annually on the arms race had been diverted to economic and social development.

12. Mr. SOFFER (Observer for Israel) said that, since

the Council's task was to co-ordinate United Nations economic and social assistance programmes, the seriousness of the problems facing it called for a better understanding among Member States if the challenge of the future was to be met successfully.

13. In 1981, the Minister for Foreign Affairs of Israel had submitted to the General Assembly a programme entitled "The Transitional Economy", which was designed to raise the level of living and growth rates of the developing countries. The programme proposed a strategy based on the development of two main spheres of activity—the rural and agricultural sector and the urban sector—through the introduction, for disadvantaged peoples, of simple technologies which, while taking account of social and cultural structures and national mentalities, would promote harmonious and progressive development involving every sector of society.

14. The transitional economy concept associated technical progress with an indispensable process of cultural, institutional and political adaptation, and focused on agricultural productivity and the creation of agricultural employment through rural industries, linked with the development of social services.

15. The programme offered an effective opportunity of promoting social equality, while increasing national production in a manner compatible with international economic dependence. The developing countries could benefit considerably from Israel's experience in scientific and technological research. His country, which had already established wide-ranging technical assistance programmes with more than 50 countries, hoped that increased international understanding and co-operation could provide effective answers to the crucial problems of world economic and social growth. It was eagerly awaiting the results of the discussions at the forthcoming sixth session of the United Nations Conference on Trade and Development and of the talks at the ministerial meeting of GATT, to take place in November 1982.

16. It was regrettable that some representatives appeared to be unaware of the urgent need for a dialogue and for brotherly co-operation among nations. A United Nations organ was once again being subjected to an inadmissible attempt at politicization. Despite the difficult circumstances in which its work was carried out, the Council had for many years been steadily performing its co-ordinating function among the economic and social organs of the United Nations. The Secretary-General, the President of the Council and a number of representatives had emphasized the seriousness of the times and the urgency of the problems with which the Council had to deal. Despite the efforts of their Governments, the developing countries were becoming steadily poorer, and the international economic situation was more serious than at any time since the Second World War. Yet some representatives were obviously unmoved by that state of affairs and were endeavouring to divert the Council's discussions from the crucial issues which had brought its members together. Once again, the Governments concerned were showing their contempt for the Council and its noble task and demonstrating their scandalous

irresponsibility. As his country had been directly attacked and grotesquely slandered, it was his duty briefly to set the matter right.

17. The representatives who had defamed his country had taken it upon themselves to repeat exaggerations disseminated by certain media, systematically distorting events in Lebanon. The unleashing of hatred, shameful bad faith, lies and fanaticism came as no surprise to his delegation. The venting of racist fury was surprisingly only in the scale and grossly scandalous nature of the lies and exaggerations which had been uttered over the past month. For the past 34 years, Israel had not ceased for one moment to hold out the hand of friendship to the Arab States, but the only response had been a categorical refusal, inspired by blind and insane hatred. Manipulated by certain Powers, the Palestine Liberation Organization, which was the spearhead of that constant aggression, had in 1974 seized upon the prosperous, democratic and peaceful State of Lebanon and within a few months had transformed it into a place of ruin, terror and oppression, unleashing a civil war which was to leave 175,000 Lebanese people dead and 300,000 injured. Taking advantage of Lebanon's dismemberment, and at last realizing its old expansionist dream, the Syrian Arab Republic had in turn invaded that unhappy land. While transforming the life of the inhabitants of northern Israel into a living hell and instigating terrorist and anti-Semitic attacks throughout the world, the PLO had reduced Lebanon to slavery, massacring, dispossessing, forcibly enlisting and torturing its citizens. It was not by chance that, following the expulsion of the PLO, Israeli soldiers had been welcomed as liberators in every Lebanese village. For 20 years, the PLO had been clamouring for war with Israel and declaring that it could contemplate nothing less than military force and the extermination of Israel. It could hardly be surprised that Israel should react to such provocation and crime and exercise its right to self-defence.

18. The considerable arsenals of sophisticated weapons seized by Israel in the PLO hideouts were an irrefutable additional proof of the desire to exterminate Israel. The destructive capacity of those weapons far exceeded the requirements of the terrorist campaign; the objective was indeed Israel's physical annihilation. Ever since its creation, the PLO had been pursuing a suicidal policy of rejection of dialogue, hysterical intransigence and murder. The PLO did not represent the Palestinian people; it represented only the Powers that financed it and from which it received its orders, and international terrorism. It had been proved beyond any doubt that all the terrorist organizations of the extreme right and the extreme left, from the Italian Red Brigades to neo-Nazi groups such as the Hoffmann Group, had been trained by the PLO in Lebanon. Among the thousands of PLO prisoners taken by Israel were numbers of Pakistanis, Libyans, Iranians, Syrians, Iraqis, Algerians and others—a fact that gave the lie to any national representativeness of that organization. Those terrorists, who presumed to call themselves soldiers, deliberately concealed their headquarters and strongholds in the midst of the civilian population, whom

they used as a shield. That shameful, dishonourable and despicable practice was the sole reason for civilian casualties, which Israel had taken great risks to avoid. The PLO held hostage and murdered Lebanese civilians who fell into its hands. That was the case in West Beirut, where the terrorists were holding the population prisoner. In Damur, in southern Lebanon, the entire population—men, women and children—had been shot and massacred by the PLO for having tried to resist terrorist hegemony.

19. Israel had had enough of lies. It had made considerable efforts to help the Lebanese population. An inter-ministerial commission was in permanent session to co-ordinate relief; many Lebanese citizens were in hospital in Israel; tons of food and medicine were being distributed daily; entire villages in Southern Lebanon had already been rebuilt by Israel and tens of thousands of Lebanese who had been driven out by the PLO had been able to return to their homes. There was, for the first time, a chance for a political settlement in Lebanon. The international community should do its duty and help to bring about such a settlement and ensure Lebanon's early recovery of full sovereignty and integrity.

20. Israel, whose only concern was to neutralize an international terrorism which threatened its existence and stained the free world with blood, fervently desired an early establishment of fraternal relations of peaceful coexistence between it and a free and independent Lebanon. Since its defamers spoke of war, he would remind them that Israel was the only State in the Middle East to have made enormous sacrifices and taken considerable risks in the sole interest of peace. Not many of its detractors could say the same. Algeria and the Libyan Arab Jamahiriya were financing, sheltering and promoting international terrorism; the expansionist Syrian Arab Republic was massacring its own citizens in tens of thousands, as it had done recently at Hama, and had for eight years been carrying out acts of slaughter in Lebanon, organizing the genocide of Lebanese Christians and giving asylum to many former high-ranking Nazis; Iraq, with its dreams of empire, was pursuing an aggressive war against its neighbour and had already caused nearly 150,000 deaths; the PLO was a champion of every kind of international crime and its leader, Yasser Arafat, had recently declared that Lebanon was the land and property of the PLO. Israel alone continued to pledge its desire for a political settlement. On its initiative, the Camp David accords had offered Palestinians an autonomy which the Arab countries had consistently refused them. Israel's slanderers, who knew no other language than that of war and crime, should not have the effrontery to set themselves up in the Council as advocates of peace.

21. Mr. VEGA (Nicaragua) said that the current international and financial crisis, with its effects on social conditions in the capitalist economies and its even more serious effects on the developing countries, had reached dimensions that required no demonstration. He would merely cite some figures, since, at the current stage of the Council's review, it was appropriate to consider the

causes of the situation. Those were not difficult to find in the clear contradictions, imbalances and injustices of the existing international economic order, as a result of which, for example, the economic growth rate of Latin America in 1981 had been only 1.2 per cent—much lower than that for 1980; the average inflation rate had been 57 per cent; the external debt had doubled in four years to reach a record figure of \$240,000 million; the average illiteracy rate had been more than 40 per cent, and unemployment and underemployment had increased. The facts and figures showed that it was the so-called developing countries that were the most seriously affected by the current crisis. They were also hampered in their limited development possibilities in "free" systems of economy in the hands of the multinational corporations or were in an unfavourable position of dependence on stronger hegemonic economies.

22. The summary of the economic survey of Latin America, 1981 (E/1982/75) provided detailed figures which showed that Latin America was being affected more than in the past. Inflation, a further deterioration in international trade relations, protectionism and even sanctions against its trade applied by countries in traditionally advantageous positions, balance-of-payment deficits, abnormal external debts, low purchasing power on foreign exchanges and high levels of unemployment and underemployment all reflected the depth of the crisis.

23. The arbitrary fixing of prices of commodities, which were the most valuable resources of the developing countries; various barriers set up against countries wishing to semi-process their raw materials in order to increase their foreign exchange earnings; enormous and growing interest rates applied to payments and credits; bottlenecks in multilateral trade concessions; the inadequacy of co-operation for a balanced, general and equitable development; conditional and costly transfers of essential technology; and energy shortages resulting from the uncontrolled exploitation and irrational use of energy sources by developed countries; all those factors hampered development and gave rise to social problems which were basic features of capitalist-dependent economies.

24. It was not by chance that, in the Central American region, only one country had had a positive economic growth rate higher than that of previous years, two countries had had positive growth rates but less than those of previous years, and the other countries had had negative growth rates, including one with the lowest rate in Latin America: minus 9.5 per cent. That state of affairs, which had an adverse effect on the social conditions of the peoples of the region, was directly related to the situation which the hegemonists in the continent wished to maintain in Central America, by preserving those régimes which were among those responsible for the current international crisis.

25. It was the adversaries of joint development without discrimination for all peoples of the world who manipulated and sustained dictatorial Governments friendly to them and hampered the development of other countries,

by using their influence as powerful countries to orchestrate the policies and strategies of international development institutions, protecting their capitalist interests and obstructing the free development of the underdeveloped countries.

26. His country was not the only one affected by imperialism. In spite of the effects of the world crisis in the three years since the victory of the Nicaraguan people over the tyranny of Somoza, his country had achieved considerable success in the field of economic and social development. A chaotic situation had reigned in Nicaragua on 19 July 1979. During the previous decade, the economy had been seriously weakened and the country had suffered a number of natural disasters. In December 1972, an earthquake had destroyed Managua, where one fifth of the country's population lived and most of the business and industrial enterprises were located.

27. Subsequently, during the war of liberation, most of the country's infrastructure had been destroyed as a result of indiscriminate bombing by the Somoza army. There had been a serious decline in the production of the most important products destined for export and internal consumption because the majority of workers had not gone to work, either through fear of repression or because they had joined the fight against the régime.

28. Fifty years of dictatorship had left his country with an external debt of over \$1.6 billion, which had been renegotiated the previous year, demonstrating the confidence which his Government enjoyed at the international level as a result of the serious and responsible manner in which it had faced the economic obligations it had inherited.

29. With regard to his country's economic plans, he said that the goals set for the annual economic cycle had been achieved, and in some cases exceeded. The real income of farmers and workers had increased; the Government was continuing its fight against inflation, which had been reduced from 70.3 per cent in 1979 to 23.2 per cent in 1981, a level below that of other Latin American countries whose rates were as high as 131.2 per cent. The Government was making efforts to open up new sources of productive employment. The economic development rate had risen from minus 27.5 per cent to plus 6 per cent, one of the highest in Latin America. As far as social matters were concerned, during the first year of the national reconstruction process, his Government had succeeded in reducing the illiteracy rate from 70 to 12 per cent through a literacy programme, carried out both in Spanish and in the various native languages of the country's communities. There was now a permanent adult education programme which reached persons who had been given no opportunity in the past to receive instruction.

30. In the health sector, the Government was succeeding in its aim of eradicating diseases common in Latin America, such as malaria. The efforts being made would result in a reduction in the rate of infant mortality and an increase in the population's life expectancy.

31. Throughout its history, mankind had waged a continuous struggle to achieve a better and more just way

of life. As part of that historical process, the Central American region had in recent times been shaken by the action of its oppressed peoples, who were determined to free themselves, despite the resistance of privileged minorities. World peace was threatened. There were conflicts in various parts of the world which reflected the desire of peoples to achieve economic and political freedom. In the Central American area, too, peace was threatened and there were armed conflicts in neighbouring countries, where the political crises were the consequence of economic and social problems.

32. As a result of the situation in the Central American region, which constituted a threat to international stability and peaceful coexistence, the Co-ordinator of the Junta of the Government of National Reconstruction had submitted to the United Nations Security Council a proposal for peace in the region, in accordance with proposals submitted by the Governments of Mexico and France; it had received the support of all States members of the Security Council, with the exception of one, which had exercised the right of veto.

33. His Government and people desired peace in order to rebuild a country severely affected by years of exploitation and injustice. International peace was the basis for coexistence and the social and economic development of peoples.

34. His Government condemned the Zionist aggression against the Palestinian people, whose cause it supported. As a member of the Group of 77 and of the Movement of the Non-Aligned Countries, it was anxious that the initiatives proposed in various forums should be not only heeded and approved but also put into practice.

35. It hoped that the Third United Nations Development Decade would be fruitful and that with the forthcoming events, such as the sixth session of the United Nations Conference on Trade and Development, the continuation of the North-South dialogue, an increase in South-South co-operation, the launching of the global negotiations and the revitalization of the Economic and Social Council, the desire of all countries and peoples for a new international economic order would be realized.

36. Mr. TE SUN HOA (Observer for Democratic Kampuchea) said that the Council was meeting at a time of considerable deterioration in the international economic and social situation. Recession, unemployment and inflation had become the common fate of all countries, while the independence of small countries was threatened and part of mankind was faced with the spectre of hunger.

37. In common with other small countries, Kampuchea had no other weapon than the law. As a Member of the United Nations, it placed its reliance on that Organization and advocated respect for the Charter of the United Nations and the effective implementation of General Assembly resolutions. The Council should be better fitted to perform its role as the highest economic and social organ of the United Nations, and his delegation therefore supported its revitalization.

38. The current international situation confirmed the feeling which his country had had for some years about

the threat of world expansionism. Events in Kampuchea, Afghanistan and Poland, in December 1968, 1969 and 1981 respectively, were fresh in everyone's memory. Before those dates, the delusion of détente had been used as a cover for expansionist activities in the third world. Although détente had since been consigned to oblivion, the plunder had been substantial. In Africa, many countries were under the control of military advisers and strong-arm men. In his region, the Lao People's Democratic Republic was controlled by a 60,000-man Vietnamese army and by many thousands of Vietnamese and Soviet administrative agents.

39. On 22 June 1982, the Declaration on the Formation of the Coalition Government of Democratic Kampuchea had been signed. That Government had been formed in Kampuchea on 9 July 1982 and, for the Kampuchean people, the event marked a decisive stage in their struggle for the defence of their country and nation. All national forces were brought together in the Coalition Government, whose objective was, firstly, to mobilize all efforts in the joint struggle for the liberation of Kampuchea from the Vietnamese aggressors, with a view to restoring the independence and sovereignty of the country; and, secondly, to ensure the application of the Declaration of the International Conference on Kampuchea and of the relevant General Assembly resolutions. The formation of the Government had been welcomed by the Kampuchean people and by the international community, which supported their just cause.

40. Even after four successive dry seasons, the occupying forces were completely bogged down. Their most recent offensive had ended in the loss of 19 Soviet-made T-62 tanks and more than 22,000 men. The remainder of their men were entrenched in barracks in the capital and in some of the main provincial towns. Their morale was at its lowest ebb and they were totally cut off from the Khmer population.

41. In Viet Nam itself, pockets of resistance were growing, particularly in the centre and the south of the country. In Hanoi, political purges at the highest level were taking place. In the Lao People's Democratic Republic, resistance was spreading.

42. The aggressors were endeavouring to deceive public opinion and undermine the position of the international community by announcing the so-called partial and unilateral withdrawal of their troops from Kampuchea. History showed that the Vietnamese leaders did not keep their word. For example, in 1967 Pham Van Dong had signed a document recognizing the frontiers of Kampuchea, and the Vietnamese forces had seized the Khmer island of Koh Way barely one month after the end of the war in Viet Nam in 1975. Pham Van Dong had visited the ASEAN member countries only a few weeks before the invasion of Kampuchea, precisely in order to assure them of his desire to live in peace in the region, and everyone knew what had happened later. At the beginning of the invasion, the invaders had firmly denied the presence of their troops in Kampuchea. Subsequently, forced to admit their presence, they had claimed to be liberators. Since the international

community rejected that pretext, the invaders cast the blame on third countries and connected the presence of their troops in Kampuchea with a so-called threat from China.

43. It was clear that, by attacking Kampuchea, an independent, sovereign, non-aligned country and Member of the United Nations, the Hanoi leaders were trampling underfoot the Charter of the United Nations which they had undertaken to respect. Experience had shown that that regional expansionist respected only one language, that of force. Its ambition to build a Vietnamese empire through a so-called Indochinese "Federation", incorporating Kampuchea and the Lao People's Democratic Republic, was well known. That Indochinese "Federation" was to serve as a first step towards the completion of its expansionist designs on the entire region of South-East Asia. To that end, Viet Nam had not hesitated to pursue an inhuman policy towards its own people. It was sufficient to consider the tragedy of the boat people, which was still going on, and the number of so-called re-education camps in which hundreds of thousands of political detainees languished, not to mention the workers who were sent to do forced labour in Siberia in exchange for guns.

44. If Viet Nam really wished to live honourably, as it claimed, it had merely to respect the Charter of the United Nations and withdraw all its troops from Kampuchea, in accordance with the Declaration of the International Conference on Kampuchea and the General Assembly resolutions. If Viet Nam really wanted peace and prosperity for its people and for the other peoples of the region, it had only to refrain from causing the suffering of millions of refugees and to cease to engender tension in that region of the world. That would also be a significant contribution to the solution of the current international economic and social crisis. Unfortunately, it was well known that Viet Nam was continuing to mobilize all its resources, including international assistance, for military purposes. His delegation sincerely hoped that any examination of requests for aid by Viet Nam would take account of those considerations.

45. His delegation regretted the circulation of the letter dated 12 July 1982 (E/1982/107), signed by the delegations of Viet Nam and its supporters and seeking acceptance of the acts committed by Viet Nam in Kampuchea in defiance of the decisions of the General Assembly. It was well known that the puppet administration installed at Phnom Penh could not remain in existence without the presence of the 250,000 Vietnamese soldiers and the 50,000 administrative agents in the country and that no value could be placed upon elections held in Kampuchea under the bayonets of Vietnamese soldiers.

46. Mr. ABU KOASH (Palestine Liberation Organization) said that the importance that the PLO attached to economic and social development was reflected in its establishment of several institutions and bodies dedicated to the promotion of human welfare, the alleviation of the severe impact on its people of Israeli occupation and aggression, and the preservation of the Palestinian

national identity. Among those bodies were hospitals, schools and orphanages, workshops, a research centre, a planning centre, a computer centre and a news agency. Many of those facilities had been shelled and destroyed by the Israelis. In the current Israeli invasion, more than 40,000 Lebanese and Palestinians, the majority of them civilians, had been killed or wounded and more than 600,000 homes destroyed. The destruction of human and other resources had been brought about with the use of United States weapons supplied to Israel for "defence purposes".

47. As seen by the present Israeli leaders, Israel's geopolitical frontiers extended to Pakistan in the east, Iran in the north, Morocco in the west and Namibia in the south. In such circumstances, it was difficult for the countries of the Middle East to achieve economic and social development for their people. A just peace was a prerequisite for the achievement of the goals of the Council, and Israel had demonstrated over the years that it was a threat to peace. Israel must realize that it could not eradicate 4.5 million Palestinians. Just as the Nazis had been unable to exterminate the Jews, Israel could not liquidate the Palestinians.

48. The Israeli action against the Palestinians in Lebanon was part of a larger pattern that included the Palestinian people in the Israeli-occupied Palestinian territories and should properly be described as genocide in accordance with the definition of genocide given in the Convention on the Prevention and Punishment of the Crime of Genocide.

49. The Israeli occupation of the West Bank and the Gaza Strip had reduced those territories to markets for Israeli goods and a source of cheap labour. The Israeli occupation had rendered those territories susceptible to the inflationary conditions of the Israeli economy, which had an annual rate of inflation of more than 150 per cent. The Israeli occupation authorities had confiscated more than one third of the occupied territories for expansionist and colonial purposes, including the establishment of over 133 Zionist colonies. The colonial policy pursued by the Israeli occupation authorities had brought about a serious deterioration in the various sectors of the Palestinian economy. Many Palestinians had had to abandon their farms and emigrate and several Palestinian firms had had to cease their operations.

50. The Israeli occupation of the Palestinians' homeland deprived them of the opportunity to achieve their national economic and social development objectives. The only way in which the Palestinians could ensure the development of their national economy was by the exercise of their inalienable national rights confirmed by various United Nations resolutions, including General Assembly resolution 3236 (XXIX).

51. According to Israeli representatives, foreign occupation was a prerequisite for social and economic development. That was contradictory to the provisions of article 16 of the Charter of Economic Rights and Duties of States, which affirmed that the elimination of all forms of foreign aggression, occupation and domination, and the

economic and social consequences thereof, was a prerequisite for development. The Israeli occupation authorities were trying in vain to conceal the tragic social and economic conditions of the Palestinians. If what they claimed was true, they would not have refused such United Nations bodies as UNIDO, UNCTAD and the United Nations Centre for Human Settlements (Habitat) access to the occupied territories. The PLO challenged them to allow United Nations experts to carry out field studies on the impact of the Israeli occupation on the occupied territories. The account given by Israeli representatives of the social and economic conditions of Palestinians under occupation was contradicted by the report of the Secretary-General on the living conditions of the Palestinian people in the occupied Arab territories (A/35/533 and Corr.1).

52. The Israeli authorities were finding it increasingly difficult to disguise their true intentions. They had claimed that their invading army would stop after it had penetrated 25 miles inside Lebanon, but it had not done so. They had claimed that they wanted an independent Lebanese Government; they had shown their respect for such independence by sending tanks to the Presidential Palace while Lebanese leaders met inside and by shelling Beirut.

53. The Israeli Prime Minister had declared that Israel did not covet a single square inch of Lebanese soil. It would be remembered that a former Israeli Prime Minister had made a similar statement concerning Arab territory on the first day of the June 1967 war. Since then, Israel had annexed Palestinian Jerusalem and the Syrian Golan Heights and had expropriated so much of the rest of the West Bank and the Gaza Strip that their annexation remained a mere formality. The Israeli expansionist ambition to control Lebanon and particularly its water resources was well known.

54. The Israeli occupation of Arab lands and the destruction of Arab human and other resources constituted a challenge to the Council and a violation of United Nations resolutions. They were also a violation of the rights of human beings to a decent life in freedom and dignity. Those rights, which had been affirmed by George Washington and Abraham Lincoln, were now being denied to the Palestinians by the United States Administration, through its unlimited support for Israel. The United States of America had even stipulated that the emergency humanitarian assistance which it had earmarked for the victims of Israeli aggression must not reach or benefit the Palestinian victims. Yet the United States representative had boasted that his country was committed to upholding the principles of freedom and humanity.

55. The PLO was grateful to all the States and organizations which had provided emergency assistance to the Palestinian people, but it must stress that there would have been no need for such assistance if the national rights of the Palestinians had been respected. The Palestinians called upon those States and organizations to help them to put an end to the Israeli occupation of their homeland and to force Israel to

withdraw from occupied Lebanon and the occupied Golan Heights.

56. Mr. LABRUNE (World Federation of Trade Unions) said that the United Nations documentation made available to the World Federation of Trade Unions for the purposes of the debate confirmed its own analyses of the lasting character of the crisis being experienced by the capitalist countries, its repercussions on the world economy as a whole, and its consequences for the workers.

57. Those problems had been the central concern of the Tenth World Trade Union Congress, held at Havana in February 1982, in which 358 trade union organizations from 138 countries, representing 269 million workers, had taken part.

58. The preparatory discussions at the Congress had resulted in the unanimous adoption of a programme of action, "Trade unions and the challenge of the 1980s", analysing the world situation and formulating solutions calling for intensified trade union activity. The starting point of the programme was that the crisis, its duration and its evolution resulted from the policies of the monopolies and capitalist Governments. Apart from the two world wars, the history of industrial society had never witnessed so enormous a waste of human and natural resources. Unemployment and underemployment figures had reached unprecedented heights, both in the developed capitalist countries and in the developing countries. Millions of people throughout the world were living in conditions of extreme poverty, malnutrition, illiteracy and the absence of the most elementary health care. Persistent inflation, erratic monetary policies and deterioration in the terms of trade were bringing about a stagnant world economy, disturbing international trade and contributing to the worsening of the state of underdevelopment in many countries. Economic growth, provided it was directed towards a better response to social needs and a reduction in social inequalities, was essential. For those reasons, the World Federation of Trade Unions had supported the establishment of a new international economic order and a new development strategy which would meet those fundamental requirements.

59. The Federation believed that there could be no just and lasting solution to the world's economic and social difficulties unless the measures set forth in Article 55 of the Charter of the United Nations were taken into account and applied in all countries. Full employment, fair pay, the free exercise of trade union rights and freedoms, and full participation by workers' organizations in the determination of economic and social policy were imperative conditions for a new international economic order.

60. The elimination of the poverty suffered by the people of most developing countries and the satisfaction of the needs of working people throughout the world were not only required by justice but necessary to create conditions for the reliable and lasting improvement of international relations. The influence exerted by the multinational corporations not only over economic

activity but also over the development of international relations was more and more openly in conflict with development requirements. For those reasons, the Federation considered that the international division of labour imposed by the great industrialized Powers, which had proved a complete failure, must be reformed. There must be profound structural changes which would guarantee the democratic participation of the masses in political, economic and social life.

61. The Federation was convinced that the failure of the development strategies would not be overcome by the new orientation which IMF and the World Bank were trying to impose with regard to official development assistance, by operating as agents for the redeployment of private capital and by imposing austerity policies on countries applying for aid; the first victims of such policies were the workers and the people.

62. The Federation was resolutely opposed to the determination of the great economic Powers to maintain their hegemony. It favoured a genuine and continuous development of international relations on the basis of mutual interest, founded on the diversity and complementarity of the various countries and the use of all their wealth, which in turn presupposed the recognition of the right of all peoples to dispose of their natural resources as they desired and to determine their own economic, scientific and cultural development.

63. The Federation therefore supported the aims of the Third United Nations Development Decade and thought that the trade union movement was sufficiently mature to play an active role in defining a new strategy at the international level. It was aware of the difficulty of such an enterprise, but regarded it as an expression of a new type of solidarity requiring the concerted effort of all peoples, regardless of their economic or social régime, within which the trade unions had an important role to play. That conviction had been strengthened by the results of recent international discussions in UNCTAD, which had demonstrated the scope of the differences of interest that would have to be overcome to bring about a restructuring of the world economy and the establishment of a healthier international trading climate.

64. Peace was a prerequisite for economic and social progress. An end to the arms race would contribute to economic and social development in all countries and would set free more resources for the developing countries. A conference of third-world economists had estimated that the developing countries needed \$400 billion in external assistance during the whole of the 1980s; the annual equivalent of \$40 billion was less than 8 per cent of the world's annual military expenditure. A choice must be made and the Federation had made it long since. The absence of political will on the part of those engaged in the arms race, who did not rule out a conflict which would endanger the survival of the whole world, was an offence against the world conscience. The preparations for the twelfth special session of the General Assembly (second special session devoted to disarmament) had been widely supported by the trade union movement. Although the results of that session had fallen

short of the hopes of the millions of people who had demonstrated their desire for peace in countries throughout the world, the World Federation of Trade Unions and its affiliated organizations, which had played a major role in those peaceful demonstrations, would continue to spare no effort to bring about disarmament and peace, which were essential to development and to the struggle of workers and peoples to obtain more equitable living conditions in peace and security.

65. Mr. SENE (Observer for Senegal) said that, at a time of growing danger, when the interdependence of nations demanded increased solidarity and co-operation, it was regrettable that some States were resorting to force to resolve their disputes. The fact was that mankind had not yet realized the full extent of the world crisis, which affected both the international economic system and cultural and moral values.

66. For years, the world economy had been disturbed by persistent inflation, fluctuating monetary policies, high interest rates, and massive unemployment and under-employment. Though no economic sector or part of the world had been spared, the crisis weighed most heavily on the fragile economies of the developing countries. It was clear from the figures quoted in the *World Economic Survey 1981-1982* that the efforts of the developing countries were in danger of being brought to nothing. Although Africa was potentially rich in raw materials, it was the least economically developed of all the continents, and therefore the most vulnerable to the effects of the economic crisis, because it was the most dependent on the industrialized countries. Unless a strong effort was made to restructure international economic relations, its difficulties could only grow worse. Protectionist measures continued to hamper the exports of manufactures and semi-manufactures from developing countries and international trade rules were not always respected. Moreover, the chronic instability of export markets was a major handicap to the smooth operation of development programmes and made any possibility of growth doubtful. In most of the oil-importing developing countries, export income was either static or declining. To buy the essential capital goods they needed, those countries had to sell more and more raw materials at ever dwindling prices.

67. Unfortunately, the developing countries had no control over the market mechanism. Commodity prices were fixed in the great financial market places with no regard for production costs or the general trend of import prices. The effect of a continuous decline in the *per capita* income of the developing countries could not be estimated by standard economic analysis alone. Hunger could destabilize political régimes, stir up conflicts and shake the whole structure of peace and stability in a country or region, or even the whole world. That was the real danger of the current world economic crisis.

68. Vigorous action to restore the world economy demanded the restructuring of international economic relations. The industrialized countries needed new markets to escape from the recession and the developing countries could provide them. Moreover, the developed

countries could not achieve sustained growth without an increase in productive investment, improved productivity and the maintenance of an open trading system. In other words, the long-term development of the world economy required the "take-off" of the developing countries, which could offer immense potential markets, provided they were given the means. Thus, North-South co-operation was not merely a question of ethics or charity but a meeting of mutual interests.

69. Meanwhile, immense resources were being wasted in the armaments race, which was widening the gap between rich and poor countries. Almost \$600 billion a year was spent on weapons of death and destruction, with no strengthening of international security. On the contrary, the accumulation of weapons often exacerbated tension and the risk of war. Hundreds of thousands of scientists and technicians throughout the world were using their intelligence in the production of sophisticated weapons, which gave the producing States an advantage in international relations over the countries which they supplied. It was ironic that, in the current period of economic depression, the armaments industry was one of the few that was expanding.

70. In view of the tremendous waste of resources on the arms race, the developing countries were deeply disappointed by the relative failure of the second special session of the General Assembly devoted to disarmament. In their view, there was an essential relationship between disarmament and development. It was well known that the arms expenditure of the military Powers was now between 30 and 50 times greater than the amount they provided in official development assistance. The diversion of even a relatively small part of that expenditure could raise the standard of living of the illiterate and underfed people of the poorest developing countries almost immediately. UNICEF reported that 17 million children were expected to die of malnutrition in 1982, the International Labour Office had pointed out that three quarters of the 115 million unemployed young people throughout the world were in the developing countries, and in the *Sixth Report on the World Health Situation*, published by WHO, it was stated that there were some 800 million people throughout the world living in absolute poverty.

71. In the circumstances, the reduction in bilateral aid and in contributions to UNDP was a matter for great concern. In real terms, UNDP resources had declined by about 25 per cent between 1980 and 1982. That reduction would have deplorable effects on the national, sub-regional and regional efforts of the countries receiving assistance. The President of Senegal had stated in a special message to the Administrator of UNDP that he would make every effort to persuade the rich countries to maintain or increase the level of their contributions.

72. The time had come to remodel the institutional framework set up after the Second World War. Economic and social development through international co-operation should be at the service not of a minority of nations or of minorities within nations, but of all people, regardless of nationality, race, origin or religion. The

great principle of co-operation was the basis for the claims of the developing countries for the restructuring and democratization of international relations, to enable them to participate in the management of the world economy and in decision-making. Clearly, such a transformation could be achieved only within the framework of a universal and open dialogue based on the sincere and constructive political will of all the participants. The conditions for the launching of the global negotiations had been discussed in detail by the leaders of the industrialized countries at the Ottawa and Cancún summit meetings and recently at Versailles. His delegation hoped that the consultations taking place during the current session of the Council would make it possible to find a basis for a realistic and balanced compromise that would take into account the common interests of all countries. Certainly, without a dialogue at the world level, the International Development Strategy for the Third United Nations Development Decade would remain an empty shell.

73. His delegation welcomed the Secretary-General's suggestion for a concerted programme of world economic recovery. It supported the conclusion of the *World Economic Survey 1981-1982* regarding the need for increased productive investment as a prerequisite for the resumption of world growth. Such expansion, however, presupposed a more dynamic and balanced organization of international economic relations. That would require vigorous action by all the members of the international community to promote the global negotiations.

74. His delegation had also noted with interest the document submitted by the Soviet delegation on assistance to developing countries.

75. Priority action was called for to stabilize the price of the commodities exported by the developing countries. The work of UNCTAD on the Integrated Programme for Commodities since 1976 had been directed to improving price stability. It was to be hoped that the establishment of the Common Fund for Commodities would give new impetus to the various negotiations on new commodity agreements. Apart from a new international agreement on natural rubber and some progress in regard to tropical woods, the negotiations on most commodities had not yet produced results and not all the existing agreements functioned satisfactorily from the point of view of the producers. His delegation hoped that the forthcoming ministerial meeting of GATT and the sixth session of the United Nations Conference on Trade and Development would achieve progress in the vital problems of trade, financing and commodities. It also hoped that IMF, the World Bank and the regional banks would be able to direct their activities towards supporting a programme for world economic recovery.

76. A minimum of order and security in the monetary and financial field was essential. Recent tensions over exchange rates and persistently high interest rates were obstacles to economic recovery. It was also essential for the developing countries to work out a strategy to protect their food security. FAO had reported that 23 countries were currently suffering acute food shortages and nearly

10 million refugees needed food assistance. Long-term trends, too, remained alarming, in Africa in particular. In its study, *Agriculture: Toward 2000*, FAO had analysed world food trends and concluded that more must be invested in the agricultural sector in order to increase production and that arrangements must be made for better distribution. His delegation welcomed the European Economic Community's decision to institute a series of measures and pilot projects in several countries.

77. The United Nations Conference on New and Renewable Sources of Energy had adopted by consensus a Programme of Action in a field that was vital to the future of mankind. The institutional and financial aspects, however, had yet to be worked out.

78. His delegation welcomed the positive outcome of the Third United Nations Conference on the Law of the Sea, which had culminated in the adoption of a Convention on the Law of the Sea, in which the principles of equality and sovereignty found full expression. In the future, the oceans and their resources would be covered by the rules that had grown up over the last 10 years. The Convention represented a considerable contribution to international law. Unfortunately, it had not been possible to adopt it by consensus. It was to be hoped that the States which had not accepted it would be able to set aside some of their reservations.

79. The developing countries would never be able to play the part to which they aspired in international economic trade or solve their problems of hunger and disease unless their scientific and technical capabilities were enhanced. The prospects opened up by progress in science and technology, communications and information only made the developing countries more sharply conscious of their limitations. In that respect, the United Nations Conference on Science and Technology for Development, held at Vienna in 1979, the negotiations on the international code of conduct on the transfer of technology, and the Diplomatic Conference on the Revision of the Paris Convention for the Protection of Industrial Property, held at Geneva in 1980, had been extremely important. At the same time, the risk of undue standardization as a result of technological advances, to which a consumer society might give rise, must be resisted. New ways which would leave room for social and cultural choice must be explored. For example, intermediate technology should be adapted to the resources and conditions of different societies. The research undertaken by UNESCO and the United Nations University in that field was an indication of the effort being made in various parts of the world to find in the cultural identity of their peoples the necessary energy to confront the challenge of the modern world. Traditional values should be reinterpreted in order to release creative resources. Thus, the cultural dimension of international co-operation and development should become more important over the next decades, with a view to promoting greater understanding among peoples and progress in the cause of peace, justice, solidarity and respect for human rights.

80. The steps taken towards South-South co-operation

with the adoption of the Caracas Programme of Action for economic co-operation among developing countries were to be applauded. Specific action at the regional, subregional and interregional levels in such areas as those of the transport and communications infrastructure, the promotion of research and training centres, and the implementation of industrial and agro-industrial projects, together with the institution of preferential trading systems, would contribute effectively to accelerated development in the countries concerned and to the attainment of self-sufficiency in food. The African continent had already taken steps in that direction in 1980 with the Lagos Plan of Action for economic integration at the continental level. The High-level Conference on Economic Co-operation among Developing Countries, held at Caracas in 1981, had defined the various sectors in which co-operation among developing countries could take place, and the informal meeting of the Group of 77 at New Delhi in February 1982 had pinpointed the obstacles which could hamper the development of such co-operation.

81. The question of the revitalization of the Economic and Social Council was at the heart of the major problems under discussion, given the need for the relaunching of multilateral co-operation in the economic and social fields and in those of health, education and culture. The Economic and Social Council was also called upon to watch over respect for human rights and fundamental freedoms. In addition, it was its responsibility to co-ordinate the multifarious programmes of the specialized agencies of the United Nations system. The members of the Council must take up their task in an atmosphere of mutual trust, justice and equity in order to work out together solutions for the world's common problems. They should direct their activities towards specific recommendations for action in accordance with the agreed priorities. He hoped that the current session of the Council would mark the beginning of a new stage of solidarity and co-operation among all countries, to promote peace and development in a world that had become fragile as never before under the threat of nuclear annihilation.

82. Mr. TABIBI (World Muslim Congress) said that, despite the Council's deliberations each year on economic and social problems, those problems continued to grow and no solution to underdevelopment or social and economic injustice had yet been found.

83. The main cause of the failure was not insufficient effort, or shortcomings within the United Nations, but the absence of a moral approach by the world community and a lack of human solidarity and of awareness of man's duty to God. If nations did not see themselves as part of the world community, and mankind did not acknowledge its obligation to God and his creation, there could be no solution to world problems.

84. The capitalist and communist concepts of a materialistic community were not enough. The proposition that man did not live by bread alone had long been preached as a Christian message and, after Christianity, Islam, with a wider world outlook and a

prophet viewing the interests of mankind as a whole, had re-established the proper balance between material and spiritual values. The prophet of Islam had taught not only spiritual values but also the virtue of work to provide food, lodging and medicine. Islam was opposed to begging and idleness; at the same time, it recognized that the needy must be helped. In Islam, man must work not only for his own benefit but for the good of others; neglect of that precept was one cause of current poverty and hunger.

85. Islam's world view was important primarily for its pattern of human relations, particularly in regard to economic values—such as the Islamic laws relating to support for the needy, inheritance, the earning of a livelihood, and spending.

86. Capitalism idolized the individual, regarded his personal freedom as sacred, entrusted him with the task of maximising production and forbade State interference. Socialism, on the other hand, insisted on State control of the means of production. Capitalism bred selfishness and greed; the consequent atmosphere of severe competitiveness led to crime, corruption and insecurity. Socialism owed its rise to envy and discontent, and, in its extreme form, called for class struggle and the elimination of the vanquished class. The ideal of both systems was merely materialistic. Western economic thought, in its evolution, had conflicted at various stages with Christian ideals and had abandoned spiritual for exclusively pragmatic thinking—the main cause of world poverty. An Islamic State, however, was essentially a welfare State, in duty bound to play an important role in the economy. It had an obligation, as had the rest of the world, to make the best and most efficient use of resources. Since individual nations' resources would be insufficient, every Islamic State should establish priorities in the light of the *Shari'ah* and welfare needs; planning, therefore, was an essential function of every State, subject to the Islamic process of consultation in fairness to all interests.

87. The optimum development and utilization of resources as part of a just plan demanded honesty by government officials and ordinary citizens alike; the Koran prohibited the use of falsehoods and corruption in the acquisition of wealth.

88. During the past three decades, the difference between the *per capita* incomes of the poor and the industrially advanced nations had multiplied by between 23 times and 40 times. Of the total world population of 4.3 billion in 1980, 2.2 billion had had a GNP *per capita* corresponding to a low income of \$245, some 1.1 billion a medium income of \$1,521, and about 1 billion a high income of \$9,684. Worse still, some 780 million people, roughly half of them in South Asian countries, lived in conditions of absolute poverty. The average annual death rate of children aged 1 to 4 years in low-income countries was 20 times that in high-income countries; life expectancy in the two groups of countries was 50 years and 73 years respectively, and literacy rates 38 per cent and 99 per cent respectively.

89. The need for the interplay of material and spiritual needs in economic development had recently been

conceded in Western economic analysis; factors such as culture, belief and traditions had been deemed as important as those such as land, labour and capital in economic development. Emphasis was shifting from capital, as the prime mover of economic development, to the organizing of education and technology without disturbing society's traditional values.

90. Attempts to promote world economic growth while disregarding global welfare had proved fruitless; patterns based on the exploitation of the raw material markets of former colonial countries, and the concept of "growth" by stages, were no longer relevant. The short-sighted approach to market exploitation begun two centuries earlier had now degenerated into super-Power economic and ideological confrontation. Even the industrialized countries were facing stagnation, instability and an unpredictable economic and social outlook—a situation damaging to the Western economies, the poverty-stricken third world and mankind at large. There was a just demand for a more equitable world economic order and international institutions were making valiant efforts to promote dialogue and co-operation among peoples. In the context of confrontation between capitalist and socialist economic and social ideologies, the Islamic socio-economic system, which pre-dated both, was gaining increasing world attention. International institutions, scholars and economists were making valuable and timely contributions to basic research, especially in the techniques of the Islamic economies, in order to save mankind from further misery.

91. Mr. AL-MAHDI (Iraq), speaking in exercise of the right of reply, said that the Zionist entity's ugly record was well known, despite its representative's attempted distortion of the truth. That representative was the last person entitled to speak of being a victim: the true victims of the events in question were the Palestinian and Lebanese peoples suffering from alien aggression and colonial domination. The United Nations annals bore testimony to the world's condemnation of Israel's disregard of the principles of international law and the Charter of the United Nations.

92. The world had been repelled by the genocidal acts, worse than those of the Nazis, being carried out by Zionist terrorists in Lebanon, including the use of cluster bombs and other advanced weapons of destruction prohibited under international conventions. The Zionist invasion of Lebanon had led to the massacre of tens of thousands of civilians; half the population was homeless. Even Red Cross and UNICEF relief aid had been held up. The mass graves in that country were a grim commentary on the Zionist claim to have liberated the Lebanese people.

93. As for the allegation that Iraq had imperialist aims, it was well known that the Zionist entity's dream of an empire from the Nile to the Euphrates had been announced as a slogan in its own Parliament.

94. Mr. SAKER (Observer for the Syrian Arab Republic), speaking in exercise of the right of reply, said that the Israeli representative's allegations, in his attack on Arab and other States, including the Syrian Arab Republic, contrasted with Israel's continued aggressive

policies against the Arab peoples. The Chairman of the United States Senate Foreign Relations Committee had said that Israeli aggression against the Palestinian and Lebanese peoples could not be passed over in silence; and the International Jewish Conference had described the aggression as shameful for Jews and morally indefensible. Demonstrations by Jews had been organized in Paris against that aggression; the protesters had included two Nobel Prize winners.

95. It was time to recognize Israel's hostile nature. Israel had continuously violated international law; steps should be taken to apply sanctions against it and expel it from the United Nations.

96. Mr. SOFFER (Observer for Israel), speaking in exercise of the right of reply, said that the irony of the current situation lay not solely in the feigned concern for world peace and security expressed in the Council by certain champions of hate and aggression; the Jewish people, the victim of history's worst record of genocide, was itself being accused of genocide by those who were prompted by the same racist attitudes espoused by the Nazis. The avowed and racist policy of the PLO was that only Arabs should occupy the Middle East and that the State of Israel had not even the right to exist.

97. There was no need to refute in detail the malicious allegations against Israel. Those who attempted to foment anti-Israel feelings were simply demonstrating once again their bellicosity and racism, and those who spoke so much about respect for human life and dignity represented régimes renowned for policies of internal repression and external aggression. For example, torture in Iraq had been the subject of a special report by Amnesty International in 1981; the expansionist designs of the Libyan Arab Jamahiriya against its neighbours had already caused hatred and the loss of hundreds of thousands of lives; and in 1976 the Syrian Arab Republic had begun the systematic destruction of Lebanon, where ICRC had reported the slaughter of thousands of civilians and the destruction of homes and hospitals.

98. It was regrettable that the abuse of international forums was impairing sincere efforts to deal with the world's serious economic, social and humanitarian problems. All those genuinely concerned about the millions of people facing absolute poverty and starvation must be dismayed at such hypocrisy.

99. Mr. ABU KOASH (Palestine Liberation Organization), speaking in exercise of the right of reply, said that the repeated lies uttered by representatives of the Zionist entity in all international forums deceived no one. Israel was the only State created pursuant to a United Nations resolution but it now disdained United Nations opinion. The Palestine Liberation Organization challenged Israel to say that it accepted the international community's call for the restoration to the Palestinians of their homeland.

100. Israel's policy was to leave the Palestinian people scattered and homeless. It was intolerable that a people should be lectured to by immigrants about the right to their own homeland. Palestinians had always been willing

to accommodate newcomers, but the current situation was that of a thief claiming sole title to the property stolen.

101. Israel's daily terrorist acts, and the terrorist records of Israel's present Prime Minister and other leading figures, made a mockery of Israel's own complaints about "terrorism".

102. Israel's true role was being clearly shown by the news media everywhere, as was the desire to impose its will on all its Arab neighbours. The Arab peoples desired peace but would never accept domination.

103. Mr. SAKER (Observer for the Syrian Arab Republic), speaking in exercise of the right of reply, said that his delegation must again refute an allegation repeatedly made by the Zionist entity. Jews in the Syrian Arab Republic had the same rights and duties, under the law and constitution, as other Syrian citizens. Their religious freedom was upheld and there was no discrimination against them with regard to property or other secular matters. Jews shared the right to education enjoyed by all Syrian citizens; he cited some instances to show that the right to private sponsored schools was recognized also. There were many Jewish university students and Jews were prominent in the professions and the nation's commercial and other economic activities.

104. The military presence of the Syrian Arab Republic in Lebanon was at the request of the Lebanese Government and the League of Arab States, but no one had asked Israel to enter Lebanese territory—either to provide help or for any other purpose.

105. Mr. AL-MAHDI (Iraq), speaking in exercise of the right of reply, said that his delegation was appalled at the lies uttered by the Zionist entity's representative; it was high time to prevent that entity's delegation from spreading such falsehoods in its attempts to distort the true picture of events in Lebanon. The allegation that Iraq and other Arab countries were racist was groundless. World public opinion recognized Zionism itself as a form of racism—a fact recorded in a United Nations resolution. That ideology was based on expansionism, colonialism and the theft of others' homelands, with the aim of creating a "greater Israel". Israel's present Prime Minister, speaking as long ago as 1955, had expressed the firm belief that a war against the Arab States would

achieve the two-fold aim of destroying Arab strength and enlarging Israel's territory.

106. Mr. SOFFER (Observer for Israel), speaking in exercise of the right of reply, read the text of a letter published in *Le Figaro* on 24 June 1982. The writer, a Lebanese Sunni Muslim, had stated that he was in voluntary exile from Lebanon as a result of that country's occupation by Palestinians and Syrians. According to the writer, Syrians had entered Lebanon ostensibly to end the "civil war" but had taken over the country, annexing territory, pillaging property and even bombing districts which had refused to submit to them. Terrorist bases, financed from various sources and often in rivalry with one another, had sprung up everywhere: the effect of their terrorist activities had been felt subsequently in western Europe, as well as by innocent Lebanese citizens. The writer had expressed consternation at the attacks made by the world press on Israel, which alone had taken effective steps to bring order to a region once peaceful but now in turmoil.

107. Mr. ABU-KOASH (Palestine Liberation Organization), speaking in exercise of the right of reply, said that the observer for Israel had spoken of discrimination; but the fact was that Palestinians had been driven out of their own homeland, or were required to apply for citizenship, simply because they were not Jews, whereas Jews from anywhere in the world were allowed to settle in that land and obtain citizenship automatically. That was discrimination of the worst sort.

108. It was ironic that the observer for Israel should speak of murder when, in fact, Palestinian students were being shot by Israeli forces. Moreover, the ill-treatment of Palestinian doctors forcibly abducted from southern Lebanon to occupied Palestine had been certified by a group of Nordic doctors.

109. That Israel's actions were not commensurate with its representatives' eloquence was clearly revealed by the crimes being committed against Palestinian and other Arab peoples.

110. The PRESIDENT announced that the Council had concluded its general debate under agenda item 3.

The meeting rose at 6.35 p.m.

45th meeting

Monday, 19 July 1982, at 11.15 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.45

AGENDA ITEM 7

**Revitalization of the Economic and Social Council
(E/1982/28, E/1982/60; E/1982/L.9; Working Paper
No. 1982/1; Conference Room Papers 1982/3–5)**

1. Mr. REPSDORPH (Denmark), speaking on behalf of the States members of the European Economic Community, said that the provisions of General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system

which applied to the Economic and Social Council had remained virtually a dead letter. On several occasions, the countries of the Community had stressed the need to revitalize the Council, so that it could play its proper central role in the consideration of international economic and social matters. In particular, it had the task of ensuring and evaluating the implementation of the strategies and policies defined by the General Assembly and of co-ordinating all the activities of the United Nations bodies in the economic and social field.

2. Revitalization was undoubtedly a long-term undertaking, but means of rationalizing its current activities and making them more effective could be studied at once. In that connection, the European Economic Community warmly welcomed the draft resolution reproduced in the note by the President (Conference Room Paper 1982/4), which reflected a genuine effort to divide work between the Economic and Social Council and the General Assembly, and it hoped that, when the Council decided what matters should be given priority, it would take care to see that its work did not duplicate that of the Assembly.

3. Apart from a few details, including the proposal that meetings of subsidiary bodies of the Council should end at least 10 weeks before the Council Session, the States members of the European Economic Community were in favour of the draft resolution. They were in favour of organizing subject-oriented sessions which they hoped would encourage all States Members of the United Nations to participate more actively in the Council's work. Nevertheless, the draft resolution was only a first step towards the revitalization of the Council and left unsettled such matters as the rationalization of the subsidiary bodies. The States members of the Community, however, were fully aware of the need for compromise. They hoped that the Council would adopt the draft resolution, and they were ready to pursue the consideration of those matters which had not yet been settled.

4. Mr. SMIRNOV (Union of Soviet Socialist Republics), recalling his delegation's position on improving and rationalizing the work of the Economic and Social Council, said that the Soviet Union shared the general anxiety over the situation in the Council but thought that, instead of revising the Charter of the United Nations or amending the existing structures, an effort should be made to exploit fully the vast possibilities offered by Article 55 of the Charter, which defined the purposes of economic and social co-operation. Recent experience had shown that the so-called restructuring of the economic and social sectors of the United Nations system had not resulted in any improvement in the work of the Council and other United Nations bodies but had merely helped to strengthen the position of certain countries within the Secretariat, at the expense of the principle of equitable geographical distribution. If the role of the Economic and Social Council had been weakened, it was in particular through the increase in the number of United Nations bodies dealing with economic and social matters. It must be recognized that it was not numbers that gave strength in that field but rather

political will on the part of Member States. It was therefore essential for all countries, including the developing countries, to change their attitude towards the Council, which should remain the principal body in the United Nations system responsible for economic and social matters. The Soviet delegation noted with dismay that some countries, while advocating the revitalization of the Economic and Social Council, were doing all that they could to distract attention from such important questions as unemployment and the situation of workers in the capitalist countries, the world economic crisis, the repercussions of the activities of transnational corporations, and protectionism, concealing behind high-sounding speeches a determination to reduce the Council's role to that of a mere conveyor belt.

5. It had been claimed in some quarters that subject-oriented sessions would help to make the Council more effective, but the danger was that they would speedily take on the character of "mini-conferences", requiring long and complicated preparations. At its fifty-first session, the Council had adopted resolution 1622 (LI), which had been intended to lighten the General Assembly's agenda, particularly that of the Second Committee, and to hand over certain matters directly to the Economic and Social Council. The implementation of that resolution would also help to lighten the Council's agenda, in that technical and procedural decisions would be taken by subsidiary bodies and thus help to make it more effective.

6. Any decision on revitalizing the Economic and Social Council must be adopted by consensus. If the amendments suggested by the Soviet Union (Conference Room Paper 1982/5) to the draft resolution in Conference Room Paper 1982/4 were approved, the Soviet delegation would not oppose the adoption of the draft resolution, but if they were not, it would be unable to join in the consensus.

7. Mr. JOSEPH (Australia) said that efforts had been made to revitalize the Economic and Social Council for 20 years. It had been thought that the aim had been achieved in 1971, when its membership and terms of reference were expanded, but it must be admitted that by the end of the 1970s the Council was even less dynamic than it had been at the beginning of the decade.

8. The draft resolution submitted in Conference Room Paper 1982/4 represented the first few steps towards revitalizing the Council, and the provisions of annex II were particularly important in that regard. His delegation believed, however, that revitalization should not end there and that much more radical steps should be taken. If the Council was to regain its full credibility, all States Members of the United Nations must be represented in it.

9. Until that happened, talk of the need for reform would continue, because its member States would not have the confidence in the Council that was needed before it could be used in the way envisaged by the authors of the Charter in 1945. Australia, as it had indicated in a letter addressed to the previous President of the Council, was in favour of a radical approach, although it might not be opportune for the time being.

10. The Australian delegation was a little disturbed by subparagraph (d) of operative paragraph 1 of the draft resolution in Conference Room Paper 1982/4, calling on the Council, as part of its general discussion of international economic and social policy, to formulate conclusions and recommendations for the General Assembly, Member States and organs, organizations and bodies of the United Nations system concerned. The danger was that that might become the Council's sole object, at the expense of other important activities. Moreover, conclusions and policy recommendations formulated for the General Assembly should be those on which there was consensus. If not, in other words, if a debate was envisaged that would lead to a series of recommendations on which a vote would be taken, the Council might create a great deal of trouble for itself.

11. His delegation hoped that further consultations would be held on the draft resolution in Conference Room Paper 1982/4, leading to operative paragraph 1(d) being seen not as an invitation to controversy but rather as a means of strengthening economic debate within the United Nations system, in a context which would enable the Council to influence directly and indirectly the policy debates and decisions taking place in other quarters.

12. The PRESIDENT said that the informal consultations would continue. He was personally particularly in favour of a consensus, which was the basis of the entire Yugoslav system of government. However, the consensus rule must not be used as a roundabout way of exercising a veto.

13. Mrs. CAO-PINNA (Italy) said that, in view of the heavy programme of work for plenary meetings of the Council in the third week of the session (see E/1982/L.43), there was little chance of reaching a consensus, even on a few of the various proposals put forward in the note by the President of the Council (Conference Room Paper 1982/4) and in the note by the Secretary-General (E/1982/28). In her delegation's opinion, the revitalization of the Council was a very difficult task, not only because the measures decided upon on several occasions—in 1954, 1968, 1973 and 1977—had not been applied, but also in large part because of the wide scope of the Council's field of competence. It was important, therefore, to avoid any decision which would be tantamount simply to postponing the consideration of the revitalization of the Council still further.

14. Accordingly, her delegation was ready to express its views on each of the proposals in the President's note (Conference Room Paper 1982/4) within an open-ended working group.

15. In the same spirit, the Italian delegation drew the attention of the members of the Council to the fact that, more than four years after the adoption by the General Assembly of resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system, no "subject-oriented" Council session had been organized. That was sufficient indication that, as matters stood, the convening of subject-oriented sessions would probably have made the situation with regard to documentation and the calendar of conferences worse. In that

connection, the note by the Secretariat (Working Paper No. 1982/1) on the documentation to be submitted to the Economic and Social Council in 1982 and 1983 was highly instructive. The number of reports was far too large, both for the Secretariat and for Member States.

16. On the question of revitalization of the Council, however, the necessary documentation was already available. Her delegation therefore suggested giving thought to convening a session on the subject of the revitalization of the Council, a procedure which would be far preferable to organizing an open-ended working group to study so complex a subject. Such a session, lasting for five working days, would make it possible to study each of the proposals before the Council individually, instead of holding a general debate on them together with informal consultations of a general nature.

17. At the moment, a number of matters were dealt with successively at three levels in the United Nations system: by the subsidiary bodies of the Council, by the Council itself, and by the General Assembly. The subsidiary organs of the Council were legion: a few years earlier there had already been more than 250. Nothing had been done, however, to rationalize that extremely complicated network of intergovernmental and expert bodies. On the contrary, it had been necessary to create more. If the Council were to resume direct responsibility for the matters now within the jurisdiction of subsidiary bodies, the three levels of consideration would be reduced to two, as far as certain matters were concerned. The Council would do the work of the subsidiary bodies that had been discontinued, in short subject-oriented sessions. If the Council's functional commissions were considered, for example, it would appear that the work of the various commissions—except for the Commission on Human Rights—could be done at subject-oriented Council sessions. She noted, too, that the Council's functional commissions, which had originally held annual sessions, would in future be meeting only one year out of two, and that the duration of their sessions had been reduced from three weeks to nine working days. Those two Council decisions had in no way been intended to minimize the importance of the matters coming within the jurisdiction of the commissions, but it must be recognized that the situation within their fields of competence was evolving rather slowly.

18. If the Italian delegation's proposal was accepted, matters relating to sectors already defined, such as social development, the status of women, and so on, would be examined at two levels instead of three. At a single stroke, repetition of the general debate would be avoided and the volume of documentation needed would be reduced.

19. The PRESIDENT said that the proposals before the Council would be examined one by one, and that all delegations would have an opportunity to make their views known on each proposal.

20. Mr. HERRERA VEGAS (Argentina) said that there were several of the provisions of section II of the annex to General Assembly resolution 32/197, on the Economic and Social Council, which it had never been

possible to apply, despite the fact that the resolution had been adopted by consensus. His delegation fully appreciated, therefore, the effort the President had had to make to prepare the draft resolution contained in his note (Conference Room Paper 1982/4). Although it was in favour of amending the Charter of the United Nations, his delegation recognized that such a step would meet with objections on the part of many countries of all groups: developed countries, socialist countries, and the Group of 77. It felt, therefore, that the ideas contained in the note would meet the wishes of those delegations that were in favour of radical measures, as well as those which thought that revitalization was necessary but did not go so far as to advocate amending the Charter.

21. The note by the President contained some new and useful ideas, for example the idea of having the first regular session of the Council begin on the first Tuesday in May of each year. That would lengthen the time between the end of the session of the Commission on Human Rights and the beginning of the Council's first regular session and make it possible for the Council to have the complete documentation in time.

22. The idea of subject-oriented Council sessions was linked, in the opinion of the Argentine delegation, to that of amending the composition of the Council. Unless that was done, it would be difficult to abolish its subsidiary bodies. The main advantage of subject-oriented sessions would be to enable the Council to resume direct responsibility for the functions currently entrusted to subsidiary bodies that would have been discontinued. If the subsidiary bodies were not abolished, the usefulness of subject-oriented sessions would not disappear, but it would be greatly reduced.

23. His delegation was not in favour of all the ideas in annex II of Conference Room Paper 1982/4, which the Soviet delegation proposed should be deleted (see

Conference Room Paper 1982/5). In particular, it was not in favour of the idea of convening one annual session of the Council to take place alternately in New York and Geneva, put forward in paragraph 4, but it did believe that the matters listed in that annex called for a speedy solution and thus merited the attention of Member States. Sooner or later, the Council would have to resort to the radical solution of amending the Charter, if only because some of its provisions, such as those concerning trusteeship, were no longer applied. It was perhaps too soon to embark on that task, but, when it was undertaken, all the provisions relating to the Economic and Social Council should be carefully reviewed. For the time being, however, the Argentine delegation would support the draft resolution in the note by the President.

24. Mr. MILLER (United States of America) considered that useful work had been done in the year that had just elapsed and that the Council would henceforward be much closer to a consensus than had seemed possible a year earlier. In particular, subject to a few amendments which it would propose in the informal consultations, the United States delegation was ready to accept the draft resolution contained in the President's note.

25. The PRESIDENT hoped that the new informal consultations, during which the proposals would be examined paragraph by paragraph, would make it possible to arrive at a text that could be adopted by consensus. He recalled, however, the saying that the best must not be the enemy of the good. If the measures proposed for the revitalization of the Council were adopted, they could hardly be described as "hasty", since it was now 31 years since the question of such a revitalization had first arisen.

The meeting rose at 12.20 p.m.

46th meeting

Monday, 19 July 1982, at 3.25 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.46

AGENDA ITEM 4

Special economic, humanitarian and disaster relief assistance (E/1982/76 and Corr.1; A/37/121–123, A/37/235)

1. The PRESIDENT invited the United Nations Disaster Relief Co-ordinator to make an introductory statement on agenda item 4.
2. Mr. ESSAAFI (United Nations Disaster Relief Co-ordinator) said that it was difficult, and at times

impossible, to distinguish precisely between natural and man-made disasters. In either case, the grave economic consequences required the mobilization of additional resources from the international community. The task of the Office of the United Nations Disaster Relief Co-ordinator, pursuant to General Assembly resolutions 2816 (XXVI) and 36/225, consisted of contingency planning, co-ordination and the planning of relief. Contingency plans should be developed, in order that appropriate steps could be taken, when emergencies arose, to act with the utmost speed and efficacy—especially in the case of countries subject to cyclic

disasters such as floods, cyclones and earthquakes. The aim was advance preparations, in order to lessen the impact; for that purpose, preparations at the local level were required—an important aspect of the Office's role.

3. In the matter of co-ordination, assistance had to be co-ordinated at the international level by means of speedy and exact information; for that purpose, the Office had to obtain exact data concerning the affected country's requirements and convey the information to potential donors—Governments, specialized agencies and inter-governmental and non-governmental organizations. The latter would then inform the Office of the assistance they were providing or proposed to provide, so that all the donors might be informed and duplication avoided. Effectiveness depended not only on the information provided by the Office, but, above all, on the speed and precision of that received from donors; at present, the Office was not being as well informed as it would wish to enable it to fulfil its co-ordinating role fully. Information was thus of crucial importance for co-ordination. Firstly, the Office would obtain details of requirements and inform all potential donors. It must then be informed of the assistance provided by the latter, so that it could inform all concerned—which meant the centralizing of information so as to promote co-ordination and ease the task of the donors. That was why it regularly published updated situation reports; it also established, where possible, a constantly revised order of priorities relating to relief operations.

4. Perhaps the most important part of the Office's role was the development, pursuant to General Assembly resolution 36/225, of a concerted relief programme, in close consultation with the Government of the affected country, other United Nations organizations and Governments concerned and other governmental and voluntary organizations called upon to help in cases of disaster. Only a coherent plan, drawn up by all the parties concerned, could lead to the effective and rational harmonizing of relief measures.

5. It was chiefly for that purpose that the Office's special trust fund should be used to deal with any measures not initially covered by the donors—for example, logistical and transport support, which was often seriously lacking. He hoped that the Council would recommend to the General Assembly not only the extension of the special trust fund but also the strengthening of the sub-account for unallocated funds.

6. During the past year, the Office had taken action in many countries, including Chad, Democratic Yemen, Ethiopia, Gambia, Madagascar and Mozambique, whose situation would be considered by the Council under agenda item 20 (International co-operation and co-ordination within the United Nations system), as well as in Lebanon. Details were to be found in the annual report of the Secretary-General (A/37/235).

7. He thanked the Council for its interest in the Office of the United Nations Disaster Relief Co-ordinator, and for the support which he hoped it would give in order to strengthen the Office's role pursuant of General Assembly resolution 36/225.

8. Mr. GOUNDREY (Joint Co-ordinator for Special Economic Assistance Programmes, Office for Special Political Questions) said that, pursuant to the relevant resolutions adopted by the General Assembly at its thirty-sixth session, appealing for additional assistance to various countries facing special difficulties, the Council was to be apprised of the current status of assistance programmes. Accordingly, he was reporting on the outcome of missions to the countries concerned.

9. He would deal first with the three countries to which missions had been sent for the first time. In the Gambia, the mission arranged pursuant to General Assembly resolution 36/220 had found that the narrowly-based agricultural economy was extremely vulnerable to external factors, such as the weather and the world market prices for groundnuts, the principal export crop, the output of which had fallen drastically since 1979 as a result of drought. Moreover, the recession in Western Europe had reduced earnings from tourism, which the country had been striving to develop. As a result, incomes, employment, fiscal revenue and foreign exchange earnings had declined rapidly. The 1981 disturbances had caused considerable loss of life and property, the total loss amounting to roughly \$25 million. In addition, agricultural production and tourism had suffered further, causing an immediate fall in fiscal revenue at a time when the Government was faced with additional costs arising from the disturbances.

10. The Government was anxious to promote rural development, in order to halt the drift to urban areas which had been a factor in the 1981 disturbances. It was seeking additional external assistance for three projects aimed at dealing with the most urgent aspects of the situation: a land irrigation project, at a cost of almost \$1 million, to raise rice production and thus lessen dependence on imports; the restoration of Radio Gambia, at an estimated cost of \$1.3 million, a good broadcasting system being essential for information and understanding; and a national youth programme, at a cost of some \$1.6 million, to be directed primarily to the rural areas, where four fifths of the population lived, and to the training of young people and the provision of employment opportunities.

11. An inter-agency mission had visited Liberia in March 1982 in response to General Assembly resolution 36/207, and its report had been circulated under the symbol A/37/123. The main obstacle to the country's development was an inadequate infrastructure. The modest development achieved hitherto had been mainly in the coastal region; there had been little development in the rural areas, where the population depended on subsistence agriculture. Exports of iron ore, rubber and diamonds, which accounted for three quarters of Liberia's export earnings, had been seriously affected by falls in demand, particularly in the industrialized countries, and world prices for the coffee and cocoa cash crops had fallen since 1980 to levels well below those of previous years. World inflation had meanwhile raised the cost of imports, and the terms of trade had deteriorated sharply between 1975 and 1981.

12. Real output in the monetized sector had fallen by some 5 per cent in 1980 and further in 1981. The balance of payments and the Government budget were in substantial deficit, with the resultant foreign-exchange and liquidity problems, in addition to a heavy burden of public debt incurred during the period of the previous administration.

13. An international programme of economic assistance to Liberia, amounting to \$362.6 million over a four-year period, consisted of \$140 million to assist the Government in its counterpart contribution for current projects in the public investment programme; \$204 million to meet the cost of unfunded and partly funded projects included in that programme; and \$18.6 million for new projects identified by the mission, aimed at correcting certain deficiencies in existing public institutions and at providing technical and management support for the programme.

14. Pursuant to General Assembly resolution 36/218, a mission had visited Uganda to consult with the Government on its most urgent needs, and its report had been reproduced in the annex to the report of the Secretary-General (A/37/121).

15. Real *per capita* GDP had fallen by some 40 per cent during the past decade and was estimated at some \$133 at current exchange rates. Manufacturing output had fallen by almost 60 per cent, the production of coffee—the principal cash and export crop—by almost 25 per cent and that of other cash crops by over 90 per cent. Production of the main food crops had fallen by 20 to 50 per cent. Productive investment and development-oriented import programmes had not been undertaken and serious economic mismanagement had led to severe inflation and shortage of essentials.

16. The new Government had had to attempt in 1981 not only economic reconstruction but also a reversal of the cumulative administrative, social and economic deterioration. The priority needs, therefore, were obvious. The Government, recognizing that external support for its entire programme was unlikely, had prepared a basic programme of top priority projects, which had been presented to the Uganda Consultative Group in May 1982. The programme not only set out the projects for which assistance was required but included some important proposals for policy and institutional reform. The total programme cost was some \$737 million over the two-year period—about one third of estimated total needs for reconstruction, rehabilitation and development. The programme was generally consistent with realistic estimates of the foreign exchange likely to be available and thus represented a major step in Uganda's efforts to restrict overall demands to conform to the available resources.

17. The recovery strategy was based on improved export performance, greater efficiency and a better use of available capacity. Very few new projects had been included in the basic programme. In mid-1981, the Ugandan Government had introduced major economic and financial reforms designed to remove the major distortions in the economy. They had included the floating of the currency, the decontrol of most commodity

prices, a large increase in cash-crop prices and a number of reforms in the parastatal sector, negotiations with previous owners of industries for their resumed involvement and legislation to clarify the position of properties and businesses taken over during the 1970s. Those reforms, which had already begun to show positive results, required further international support through a large increase in foreign assistance—without which the basic reforms might well be frustrated. Recovery would in any case take a long time.

18. The Ugandan Government's recovery programme had been well received at the United Nations Conference on the Least Developed Countries, held in Paris in 1981. It had been generally welcomed as a realistic programme focused on the country's most urgent requirements, such as balance-of-payments and programme support. The additional assistance pledged, however, had fallen far short of Uganda's needs at that critical time.

19. The remaining countries dealt with in his report had been the subject of review missions. In Benin, international economic conditions had adversely affected the main agricultural exports, while import costs had continued to rise. As a result of drought and irregular rainfall, maize and sorghum production in 1981/82 had reached only 60 per cent of normal levels. The Government had had to institute special emergency relief measures to deal with recent widespread flooding in coastal areas.

20. There had, however, been some encouraging developments since the previous year's report. Firstly, a number of States and organizations had responded positively to the appeal for special economic assistance: about one third of the funds had been either committed or agreed upon in principle, and funding for several other projects was being discussed with potential donors. Secondly, the Government had achieved a modest current surplus by tight expenditure control and improved revenue collection, although the investment budget would continue to depend on external assistance. It was hoped that foreign investors would be attracted by the recently promulgated revised investment code, since Benin had a chronic balance-of-payments deficit on current account, the estimate for 1981 being substantially higher than in 1980.

21. The Government wished to develop a closer partnership with the donor community and had embarked on a number of reforms aimed at greater efficiency in the use of domestic and external resources. It had also decided to organize a round table of development partners at Cotonou in the second half of January 1983, at which the Government would present its development strategy for the planning period 1983-1987 and discuss with donors ways and means to mobilize and utilize development assistance effectively.

22. Turning to General Assembly resolution 36/222, he said that Botswana was going through a period of considerable economic difficulty. GDP, which had grown by only 1.7 per cent in 1980/81, was expected to fall in 1981/82 because of severely depressed copper prices, a weak diamond market and recent drought problems.

Export receipts and Government revenue were being severely affected. The visible trade deficit had quadrupled between 1980 and 1982. As a result of the current economic difficulties, development expenditure estimates were being cut by some 25 per cent in 1982/83 and recurrent expenditure, which was undergoing a detailed review, was being held to 80 per cent of approved estimates.

23. The drought at the end of 1981 had adversely affected Botswana's agriculture and livestock. National food production was estimated at only 16,000 tonnes of food grains in 1982 compared with about 50,000 tonnes in a normal year. Over 100,000 tonnes of food imports were required to meet national needs. In addition, international assistance was needed for the emergency feeding of vulnerable groups in the drought-affected areas and for water and livestock development projects.

24. Good progress had been made in obtaining international support for the projects identified in previous reports. Most of them had already been partly funded, but additional funding of some \$180 million was required for the rehabilitation of the railway and the establishment of the necessary infrastructures for running an independent system. While significant funding had been secured for the airport and for the Botswana-Zambia road, nearly \$20 million was still required for those projects.

25. Botswana was the host country for the secretariat of the Southern Africa Development Co-ordination Conference, which was an increasingly active catalyst for the co-ordinated development of regional projects in Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, the United Republic of Tanzania, Zambia and Zimbabwe.

26. In 1981, Cape Verde, which was the subject of General Assembly resolution 36/211, had continued to face serious food shortages as a result of more than a decade of drought. A report by FAO and WFP had concluded that in 1981 the country had experienced the driest year for a decade. Agricultural production had been seriously affected, maize production having fallen by 57 per cent from the 1980 level and bean production by 74 per cent. Substantial food imports were therefore required.

27. Projected budget deficits for 1981 and 1982 would call for increased international assistance to help the Government of Cape Verde to meet its continued financial problems.

28. The Government was finalizing the preparation of its first National Development Plan, covering the period from 1982 to 1985. The earliest features of the Plan had been described in the documents prepared for the Round Table of Development Partners, which had taken place from 21 to 24 June 1982 and in which 23 countries, 23 international organizations and 8 non-governmental organizations had participated. Some participants had been able to give details of possible contributions towards the first two or three years' financing of the Plan. The communiqué issued at the end of the meeting had stated that there were relatively good prospects of securing the

necessary assistance, although firm pledges had fallen far short of requirements.

29. Referring to General Assembly resolution 36/206, he said that economic activity in the Central African Republic was continuing to decline. Agricultural exports, mining, manufacturing and building had all been drastically affected in real terms. Cotton production and the mining of both diamonds and gold had fallen by 20 per cent in 1981. The important textile industry had virtually ceased to function and the banking sector was experiencing serious difficulties.

30. The overall balance of payments during the past three years had been characterized by large deficits, since capital movements had failed to offset current-account deficits. The total public and publicly-guaranteed external debt in 1981 had amounted to \$213.1 million—a third of the country's GDP—while the budgetary deficit in 1981 had been nearly \$31 million. To overcome those difficulties, the Government had reduced public sector unemployment by 2,000 posts, and a further reduction of 3,000 posts was planned for 1983. A fund had had to be created to assist in the financial rehabilitation of public and joint venture enterprises. The Government hoped that the measures being taken to restore basic equilibrium in the balance of payments and in public finance would encourage donors to continue to provide budgetary support.

31. Of the 33 projects in the special economic assistance programme, 14 had received full funding and 6 had been partially funded. Two projects had been withdrawn and 11 still required financing. A total of approximately \$135 million had so far been pledged to the programme. The Government intended to convene a donors' conference early in 1983 to seek international assistance for financing its programme of reactivation, which was designed to restore internal balance.

32. In response to General Assembly resolution 36/212, the Secretary-General had arranged for a mission to the Comoros in May 1982. Despite increased exports and the Government's efforts to cope with its institutional and human constraints, that country continued to face serious economic difficulties. The production of food for local consumption had been affected in 1981 by dry weather, cyclones and a plague of rodents, and 200,000 people were estimated to be in urgent need of food assistance in the form of rice, butter-oil and maize.

33. The prices and production levels of major exports had been more favourable in 1981, but the marked increase in imports of such items as foodstuffs and petroleum products had resulted in a trade deficit of over \$14 million—virtually equal to the value of export earnings. Despite the significant increase in official transfers and grants, the current-account deficit had reached the unprecedented level of \$7.6 million in 1981—an increase of 49 per cent over the preceding year.

34. Because of the fiscal and budgetary constraints with which it was faced, the Government would be unable to meet the local costs of development projects. It therefore hoped that donors would not require its participation

and that assistance would be extended on favourable and concessionary terms. As a means of overcoming its difficulties, the Government had undertaken a family planning programme and was concentrating most of its international aid on productive development, particularly in agriculture for food production. Of the 19 projects in the special economic assistance programme, only three had been fully funded and three partially funded.

35. In response to General Assembly resolution 36/204, the Secretary-General had arranged for a mission to visit Equatorial Guinea in 1982. Despite the country's many advantages, including an excellent climate and very suitable soil for food crops and cash crops, the Government, on assuming office in August 1979, had found that virtually no economic or administrative structures were functioning. Preliminary investigations indicated that there were mineral resources in the country and that significant petroleum deposits were likely to exist offshore. The Government was aware that the country's development would largely depend on restoring domestic and international confidence. A referendum was shortly to be held on a draft constitution, in which importance was attached to the safeguarding of human rights, in accordance with the recommendations of the United Nations Commission on Human Rights.

36. There had been an encouraging improvement in the production of the major export products—cocoa, coffee and timber. Despite the relatively good performance, increased imports had resulted in a trade deficit of some \$24 million in 1981—the same level as the preceding year, and representing about 45 per cent of GDP. At the end of 1981, gross international reserves had been negative and the current net figure stood at approximately minus \$7 million. The outstanding public debt was equal to GDP, at approximately \$57 million. Although the servicing of the external public and publicly-guaranteed debt represented only 15 per cent of export revenue, scheduled debt-servicing showed an upward trend and would certainly restrict the future use of foreign exchange for financing imports and promoting export-oriented investments.

37. The Government had expressed its satisfaction at the response of donors at the Conference which had been convened at Geneva with the assistance of UNDP. In accordance with donors' suggestions, the Government was taking steps to strengthen its administrative infrastructure, in order to handle offers of international assistance more effectively. Of the 50 projects in the special economic assistance programme, 9 had received full funding and 13 had been partially funded. Most of the remaining part of the programme had been included among the priority projects submitted to the Donors' Conference.

38. Turning to General Assembly resolution 36/219 concerning assistance to Lesotho, he said that adverse economic and climatic factors had seriously affected production in various sectors of that country's economy during the past year. As a result of drought and early frost, the 1981/82 crop harvest had been some 90,000 tonnes short of expectations. The total projected food

grain shortfall was nearly 215,000 tonnes. Diamond exports, which had accounted for 60 per cent of Lesotho's exports in 1980, were not expected to continue. The diamond mine had been closed in May 1982 and the only exports would be from ore processed above ground. The building industry had suffered a depression, owing partly to shortages of building material. The Government had informed the mission that the incentives and subsidies being provided by the Republic of South Africa for new investment in the bantustans had seriously affected the level of private investment and construction activities in Lesotho. Those developments had had an adverse effect on incomes in both rural and urban areas. The Government deficit had also increased sharply at a time when debt servicing was rising rapidly. The Government realized the need for an early restoration of budgetary balance. In view of the financial situation, substantial reductions in development expenditure for 1982/83 and 1983/84 would have to be made, unless there was increased international assistance. He emphasized the usefulness of assistance in the production of food for sale, as a means of meeting part of the budget deficit.

39. The Secretary-General welcomed the international community's generous response, which had enabled a number of projects in the special economic assistance programme to be carried out. Since March 1981, international assistance provided or pledged had amounted to \$32.5 million. One area that had not received the assistance it required was that of food aid to meet the anticipated food grain deficit and to allow the Government to expand its labour-intensive food-for-work programmes.

40. Referring to General Assembly resolution 36/215, he said that Mozambique continued to face an extremely difficult economic situation. The current account balance-of-payments deficit was in the neighbourhood of \$200 million. As a result, foreign indebtedness was rising rapidly and had reached a level of \$540 million by the end of 1981. Because of the critical foreign-exchange situation, the Government was having to revise its 1982 investment programme substantially. The recurrent budget deficit was also rising and, while the international community had assisted in some of Mozambique's development projects, substantial needs remained to be met. The Government had informed the mission that, during the past year, economic problems had been exacerbated by attacks by armed groups, sponsored by South Africa, on economic targets, particularly on the road and rail links to Malawi and Zimbabwe, on agricultural production and marketing facilities and even on some of the projects being financed by international assistance programmes. Over the past six months, the country had faced considerable destabilization and the food situation had worsened. In 1981, 1.4 million people had been affected by drought, as a result of which the estimated food deficit for 1982 was 303,000 tonnes, compared with a deficit of a little over 200,000 tonnes in 1981. Approximately 40 per cent of the cashew nut crop had been affected. As a result, the Government was unable to finance its essential food imports. Although a

number of donors had pledged food aid, there was still a deficit of over 118,000 tonnes of cereals to be met. Donor funding commitments had been made for projects under the Southern Africa Development Co-ordination Conference, but large funding gaps remained. Several important domestic transport projects, particularly for rural and trunk roads and coastal shipping, urgently required assistance.

41. Referring to General Assembly resolution 36/209 on assistance to Sao Tome and Principe, he said that continued drought and other difficulties had further increased the country's dependence on food imports, currently amounting to over 36 per cent of the total import bill. It was expected that the country would have to import nearly 11,000 tonnes of foodstuffs and 600,000 litres of edible oil to meet its basic needs in 1982.

42. The most serious blow to the country's economy had been the constant fall in the price of cocoa, which constituted 90 per cent of exports. As a result, export earnings had declined to under \$7 million in 1981 compared with \$26 million in 1979. Import prices, including petroleum prices, had continued to rise, thus aggravating the country's economic difficulties. The fall in the value of exports and the consequent decline in domestic income had caused a serious deterioration in the Government's financial position, resulting in a large overall balance-of-payments deficit.

43. Less than half the projects identified in earlier reports on assistance to Sao Tome and Principe had obtained international financial support. The Government had expressed its disappointment at the international community's failure to respond to the General Assembly's appeals. The mission had reported that, without additional assistance, the country would be unable to finance its development programme.

44. Zambia's problems, which were referred to in General Assembly resolution 36/214, had been before the Council for more than eight years. Zambia was experiencing extremely serious economic difficulties. The price of copper—the major export—was the lowest for many years and the current production cost was 30 per cent higher than the selling price. The chrome market was extremely weak as a result of the depressed conditions in the industrialized countries. Imports by the mining sector probably exceeded the output value. The terms of trade had fallen steadily over the past few years and it now took three times the volume of the exports in the year 1973 to pay for the same quantity of goods as was imported in that year. Economic activities had been adversely affected by a severe shortage of foreign exchange.

45. The 1982 Government budget was being revised. In 1981, for the first time since independence, Zambia had experienced a negative trade balance of \$74 million, which was expected to rise to about \$120 million in 1982. The overall balance-of-payments deficit in 1981 had been approximately \$300 million and the external debt had amounted to about \$1.2 billion. The stabilization programme undertaken in 1980 with IMF assistance had brought about a reduction in arrears, but there had been an increase in 1982 to over \$600 million. A three-year

fund facility negotiated with IMF in 1981, under which about \$332 million had been drawn during the year, had been replaced by annual programming, under which it was hoped to obtain up to \$300 million in 1982. That support, however, fell far short of Zambia's needs.

46. While mining output had fallen by 12 per cent in 1981, there had been a fall of only 2 per cent in GDP, because of a strong growth in the agricultural sector, reflecting a favourable response on the part of the farming community to Government policies introduced that year and generally good weather conditions. A partial rain failure towards the end of the year, however, would result in a serious food deficit in 1982, when 180,000 tonnes of imported maize would be required. The Government had already financed imports of 90,000 tonnes but international assistance in providing the remaining 90,000 tonnes was urgently required.

47. During 1981, Zambia had concluded agreements covering about \$326.5 million-worth of international assistance. Of that amount, about \$250 million was in the form of loans. In view of its large foreign debt and high level of arrears, it would clearly require substantial additional support until the copper market improved, and a much higher proportion of assistance would have to be in the form of grants or concessionary financing, since the balance-of-payments situation would not allow for the repayment of loans.

48. The Governments of Djibouti, Guinea-Bissau and Zimbabwe had requested that missions should visit their countries following the conclusion of the Council's current session.

49. Ever since its independence, Djibouti had been faced with serious economic problems due partly to its lack of natural resources, its negligible exports and its need to import all essential products, including food. As a result of a foreign exchange shortage following a decline in its earnings from port operations, the country had in recent years found it extremely difficult to pay for essential imports. Its underlying economic problems had been exacerbated by the inflow of refugees and by the severe drought between 1978 and 1981, which had affected nearly a third of the population, in particular the nomadic groups, which had lost most of their livestock. There were nearly 30,000 refugees and a similar number of drought-displaced persons in camps in Djibouti.

50. Although rainfall in 1982 had been nearly normal, it would take some time to rebuild the livestock herds and permit the drought-displaced people to resume their normal livelihood. Djibouti's additional urgent requirements would be identified by the mission which was expected to visit the country in September 1982.

51. Guinea-Bissau continued to suffer from both internal and external imbalances. Over the past three years, an increasingly serious budget deficit had had to be financed by loans from the Central Bank, and there were attendant pressures on domestic prices and on the balance of payments. Exports covered only about one sixth of imports, and foreign debt servicing absorbed all the country's export earnings. The 1980-1981 drought had

caused a food grain deficit of nearly 90,000 tonnes, and although cereal production in 1981 had apparently approached its normal level, it had fallen short of domestic consumption needs by about 37,000 tonnes. It was hoped that more detailed information would be available in time for the thirty-seventh session of the General Assembly.

52. Since it had become independent, Zimbabwe had been placing emphasis on the reconstruction and development of its rural areas. The programme had had to be mounted in the face of a growing balance-of-payments deficit on current account and an increasing budget deficit. In addition, the long neglect of essential replacement investments in the modern sector had resulted in serious bottlenecks in such areas as transport and road maintenance. In 1982, the country had suffered a severe drought. Estimated maize production was unlikely to be more than half the 1981 crop of 3 million tonnes, and other agricultural crops had been similarly affected. The drought's most devastating effect, however, had been on the livestock industry, and there was now insufficient water or grazing to maintain the national herd. The situation was particularly serious, in that there was not enough capacity to kill and process the exceptionally large off-take which would be needed to prevent widespread further loss.

53. Reports on those three countries and on the others for which the General Assembly had requested the Secretary-General to organize special economic assistance programmes would be presented to the General Assembly at its thirty-seventh session.

54. The Secretary-General had been requested by the General Assembly to report to the current session of the Council on the implementation of Assembly resolution 36/210 on assistance to Chad. In paragraph 5 of that resolution, he had been requested to organize, in close co-operation with OAU and the Government of Chad, a pledging conference at Nairobi in the first half of March 1982, to help Chad to carry out its reconstruction programme. It had proved impossible to complete preparations for the conference by the time specified, partly because of unstable political conditions within Chad but chiefly because of unavoidable delay in the preparation by the Government of the necessary documentation. Accordingly, in consultation with the Chairman of OAU and the Government of Chad, it had been decided to postpone the conference until 15 April 1982. Unfortunately, the political situation in the country had deteriorated during March and there were reports of renewed fighting. Following representations by some potential donors, and after consultation with the Chairman of OAU and the Chad authorities, it had been agreed that the conference should be further postponed to 15 June 1982. In the meantime, preparatory arrangements had continued. Documentation had been printed and distributed and invitations addressed to 60 Member States and 50 international organizations and institutions. Conference facilities had been provisionally reserved at the Kenyatta International Centre at Nairobi.

55. Steps had also been taken during the early part of

1982 to organize an international programme of emergency assistance to Chad. An international meeting on emergency and humanitarian assistance to Chad had been convened at Geneva on 5 and 6 April 1982, when it had become clear that it would be impossible to proceed with the proposed donors' conference. An emergency programme, consisting of food aid, medicines, medical supplies, educational material and transport requirements, estimated to cost some \$6.8 million, had been submitted and several participants had expressed their willingness to contribute. At the conclusion of the meeting, the Chairman had announced that three of the five components of the emergency programme had been almost completely covered and substantial contributions had been made towards the other emergency needs. The meeting had also been informed that, in addition to the emergency programmes, the provision of international assistance to Chad amounting to \$90 million had been reported to the Office of the United Nations Disaster Relief Co-ordinator between November 1981 and March 1982.

56. Although it had been agreed to hold the twice-postponed donor conference on 15 June 1982, the situation in Chad had changed dramatically in the early days of June. The armed forces of the north had advanced and seized control of the capital on 7 June. The head of the Transitional Government of National Unity had sought refuge abroad and a provisional State council had been established to carry on the administration. In the circumstances, the Secretary-General had not considered it appropriate to hold the conference and it had been decided that it should be postponed until the political situation in Chad returned to normal and a favourable climate had been created for development.

57. In pursuance of paragraph 10 of resolution 36/210, a Resident Co-ordinator for United Nations activities in Chad had been appointed, had taken up his duties, and had been designated as the Secretary-General's Special Representative for reconstruction, rehabilitation, development and emergency relief operations in Chad. The Office of the United Nations Disaster Relief Co-ordinator had also been requested by the Secretary-General to help to mobilize assistance for Chad.

58. The Secretary-General would continue to do all that was possible to help to meet urgent needs in Chad. He would also keep in close touch with the Chairman of OAU and the authorities in Chad concerning an appropriate date for convening the international conference called for by the General Assembly. The prospect of obtaining international assistance for the reconstruction and development of Chad would, of course, depend largely on the creation of a climate of confidence through the restoration of peace and stability in the country. The Secretary-General would continue to keep the international community informed in that regard.

59. In conclusion, he stressed the urgent need for assistance to those countries which had been singled out by the General Assembly as facing special economic difficulties. Documentation dealing in greater detail with the economic situation in each of the countries and stating

their most urgent needs for assistance would be available to the General Assembly. The Secretary-General hoped that the international community would respond with the greatly needed additional assistance; most of the major problems facing those countries resulted from forces outside their control.

60. Mr. HARTLING (United Nations High Commissioner for Refugees) said that there were highly satisfactory and encouraging aspects to be seen in the evolution of refugee problems, in particular the various voluntary repatriation operations successfully concluded over the past few years. In general, however, the problem remained a matter of deep concern and showed no sign of receding.

61. The burden posed by the presence of large numbers of refugees continued to weigh heavily on many developing countries, some of them the poorest in the world. The resources needed to come to their assistance continued to be substantial, in terms of aid, both national and international, and governmental and non-governmental.

62. Much of the effort of UNHCR was concentrated in Africa. In the Horn of Africa, while continuing to provide for the basic needs of refugees, the Office was trying more and more to stress the search for durable solutions.

63. In Djibouti, where there were more than 30,000 refugees, the programme was basically intended to help refugees in camps—where most of them lived—while seeking solutions for the urban refugees, particularly through resettlement in third countries.

64. In Ethiopia, the Office had recently launched an appeal for funds towards an expanded programme designed to provide limited relief and rehabilitation assistance to returnees, as well as a material context for voluntary repatriation and a climate conducive thereto. With the necessary operational arrangements in place, he was confident that action on that programme could be initiated without delay.

65. In the Sudan, measures were being taken to deal with new influxes of refugees in the south, to review the local settlement programme in that region, where there was a dense refugee population, and to continue with the establishment of rural and semi-urban communities in areas throughout the country where the refugee population was significant. As requested by the Council at its first regular session of 1982, he would submit a report on the refugee situation in the Sudan to the General Assembly at its thirty-seventh session.

66. In Zaire, the main programme benefited some 50,000 refugees in Haut-Zaire who, despite considerable logistical difficulties mainly due to the distances to be covered in transporting goods, were receiving food and other basic necessities, as well as assistance with rural settlement.

67. With regard to Chad, he was glad to be able to report that the programme of repatriation and rehabilitation of 200,000 Chad nationals, most of them returned from abroad, had been successfully concluded.

68. The report of the Secretary-General on the Inter-

national Conference on Assistance to Refugees in Africa (E/1982/76 and Corr. 1) provided detailed information on post-conference activities. He proposed, on behalf of the Secretary-General, to summarize the main elements concerning the follow-up to the Conference.

69. The organizers of the Conference—the United Nations, OAU and UNHCR—had been requested to continue their collaboration and consultations with respect to post-conference activities. The implementation of the conclusions of the Conference had therefore been entrusted to the Steering Committee of the Conference, composed of senior representatives of the United Nations, OAU and UNHCR.

70. In the course of its work, the Steering Committee had embarked on the task of determining priority projects from among all project proposals submitted at the Conference. In that endeavour it had been assisted by the recommendations of a Technical Working Group, which had undertaken an examination of all projects submitted to the Conference by countries of asylum.

71. One of the results of the Conference had been the receipt of pledges to a total value of approximately \$574 million. During the course of the year, donors had not only clarified the nature of their pledges but had specified the channels through which their contributions were to be disbursed for the benefit of refugees and returnees in Africa. At present, all but some \$12 million of the pledges made at the Conference had, at the express wishes of donors, been channelled bilaterally or through various agencies and organizations.

72. In considering the recommendations of the Technical Working Group on priority projects, the Steering Committee had not lost sight of the fact that the volume and availability of unspecified pledges was pivotal in the exercise of drawing up a first selection of the Conference's priority projects.

73. The Deputy High Commissioner had, on behalf of the Steering Committee members, addressed the community of donors in a letter dated 22 December 1981 conveying the first selection of priority projects requiring funds for their implementation. Meanwhile, the Committee had been continuing efforts to obtain assistance from United Nations agencies in the improvement of project documentation required by the donors. It was hoped that they could then be prevailed upon to provide funds for the implementation of the projects.

74. He added his personal appeal to all concerned to take urgent action so that countries of asylum might be assisted in meeting the additional needs created by the presence of refugees, which the Conference, and subsequently the Steering Committee, had identified and justified. Paragraph 21 of the report of the Secretary-General showed the action already taken by UNHCR to include in its programmes projects submitted at the Conference amounting to more than \$140 million.

75. In accordance with Economic and Social Council resolution 1982/4, which requested a report on the refugee situation in Somalia, he said that the Somali Government and the inter-agency review mission which

had visited that country in early 1982 had agreed on a planning figure for the programme in 1982 of 700,000 beneficiaries in 35 camps in four regions. Since the inception of the programme some three years previously, the emphasis had shifted from meeting exclusively the survival and emergency needs of the refugees towards enabling them to earn a living. Where necessary, however, relief aid was continuing and additional deliveries of such items as tents, blankets, clothing, soap and utensils were foreseen for the latter part of the year.

76. As the situation had gradually been stabilized, UNHCR had begun to turn its attention to longer-term measures. To reduce malnutrition, particularly among children, supplementary feeding had been organized by the camp health clinics. An agreement had been reached with the Government to maintain, improve and expand potable water facilities. In general, the health situation was stable and primary medical services were available in each camp. Secondary health facilities, however, were limited and not easily accessible to the refugee population. A few refugee cases had had to be treated outside Somalia, funds earmarked for handicapped refugees being used for that purpose.

77. Educational facilities were being expanded in the camps. An institution for in-service teachers' training had been established and would train some 2,100 refugee primary school teachers by the end of 1984. Scholarships were being provided to refugee students for secondary and/or vocational training within the limitations of locally available facilities.

78. Several measures had been initiated to conserve and meet the demand for domestic fuel. A programme of afforestation in the south was well advanced and would be expanded to other regions; meanwhile, kerosene oil, carbon and wood briquettes were being examined as possible alternative fuels.

79. While the prospects for voluntary repatriation were given all due attention, a great deal of effort was being devoted to helping the refugees to become economically active and self-sufficient. Discussions between the Somali Government and the inter-agency mission had led to the removal of restrictions preventing refugees from engaging in agriculture. It had been agreed that some camps would be relocated in more economically viable areas and plans now called for a fivefold increase in crop farming, so as to bring some 15,000 hectares under cultivation by the end of 1983. A large-scale poultry project and a pilot project for animal husbandry would also be initiated.

80. Thus, through the joint efforts of the Government, UNHCR and other United Nations agencies, and more than 30 voluntary agencies, progress had been made in enabling a country with limited resources to face its own development problems.

81. With regard to the measures taken by UNHCR to assist refugee students in southern Africa, he said that educational assistance remained a priority objective for UNHCR in its search for durable solutions to the problems of refugees. Training in all its forms was a requisite for attaining self-reliance, which was vital to the

success of any durable solution. In southern Africa, that kind of aid assumed special importance, since it sought to compensate for the denial of equal educational opportunities of which young persons were victims under the system of *apartheid* in South Africa and Namibia. At the same time, UNHCR prepared refugee students from Namibia and South Africa to become constructive citizens upon their return to an independent Namibia and to their legitimate place in South Africa. All the educational programmes were being undertaken with the active participation of the front-line States, whose liberal asylum policies were invaluable assets to UNHCR.

82. In Botswana, some 118 refugee students were currently enrolled at various public and private educational institutions and received financial assistance from UNHCR, which had contributed significantly towards the construction of two secondary schools, completed in 1981; they were now fully operational and would be used by nationals and refugees alike.

83. The main objective of the UNHCR programme in Lesotho was to encourage the Government to continue its liberal admission policy for refugee students by improving the educational infrastructure at the secondary, vocational, technical and university levels. It should be noted that most of the 11,500 refugees in that country were student refugees from *apartheid*.

84. Swaziland, too, had continued a generous policy of accepting refugee students in educational institutions at all levels. Assistance with tuition, transport, books and the like was available to those in need. A project to expand the facilities of the University College of Swaziland by providing additional dormitories, laboratories and teaching aids would begin during the latter half of 1982, pending the receipt of funds from the international community. In return, the Government had agreed to reserve 10 to 15 per cent of admissions for refugees.

85. In Zambia, some 4,500 Namibians lived at the SWAPO Education and Health Centre at Nyango, an increase of 1,500 over the previous year. At the request of SWAPO, UNHCR had provided educational materials along with other basic necessities such as food, clothing and medicines.

86. Refugee students in all the countries were able to take advantage of the counselling services available and many had sought and obtained advice on, for example, the most appropriate educational courses to follow and, once their studies were completed, on employment prospects in their respective fields.

87. There had been a marked increase in 1981 in the percentage of female students assisted by UNHCR to obtain an education. A further increase was expected in 1982.

88. In Asia, there were several areas of major concern. In Pakistan, the UNHCR programme during the current year was planned for 2.1 million refugees—out of a total of 2.7 million registered by the authorities—scattered over 300 refugee villages in the North-West Frontier Province and Baluchistan. In addition to the difficulties of

initiating and maintaining the momentum of so vast a programme, there was the danger of damage to the environment caused by the refugees and their livestock. The World Bank was preparing a programme that would provide employment opportunities for a number of refugees and the surrounding local population, help to repair the damage caused to the region's resources and create durable economic assets in the affected areas.

89. In Iran, the Government intended to set up 10 rural centres with 5,000 refugees in each. In response to a government request, UNHCR intended to cover certain parts of the programme, notably in the sectors of food, shelter, water supply, health, education and activities designed to assist the refugees to become self-reliant.

90. UNHCR had been following the situation in Lebanon closely and was in constant contact with its representative on the spot. Although the Office's role in that country was restricted by its mandate, in view of the enormous humanitarian needs, it was co-operating closely with the Co-ordinator appointed by the Secretary-General of the United Nations and had participated in the inter-agency mission which had visited Lebanon during the current month. It had made two initial contributions of \$100,000 each and intended to continue its efforts. Its offices in the region had been instructed to take the necessary steps to obtain at least temporary rights of residence for Lebanese fleeing their country who had no possibility of returning in the near future and to assist them as appropriate. Each situation was being studied and UNHCR had sent to the Syrian Arab Republic a mission, which had recommended that it should help 5,000 Lebanese in distress in that country. A sum of \$100,000 had been allocated locally by the mission.

91. In South-East Asia, more than 30,000 new refugees had arrived in countries of first asylum during the first six months of the year, and 215,000 refugees were still awaiting a durable solution. Without losing sight of possibilities for voluntary repatriation, everything was being done to maintain the momentum of resettlement in third countries. Efforts were also made in other important areas, for example orderly departure from Viet Nam and the rescue of refugees at sea; furthermore, an agreement had been concluded between the Office and the Government of Thailand on a programme to combat pirate attacks against refugees in the South China Sea.

92. In Latin America, the most important programmes were those under way in Honduras, which was receiving refugees from third countries and where special efforts were being made to find a long-term solution for them in agriculture.

93. It could be seen that there were refugee problems everywhere. Year after year, while some problems were brought to a successful conclusion, hundreds of thousands more persons were uprooted. The vigorous search to find lasting solutions must be continued. For that, the continuous support and understanding of Governments were of paramount importance. The faith of all in the dignity and worth of the human person must constantly be reaffirmed.

94. Mr. JEFFY (Liberia) said that his delegation was grateful to the Secretary-General for his quick reaction to the General Assembly's request in its resolution 36/207 for an inter-agency mission to be sent to Liberia. The mission had visited Liberia in March 1982 in order to assess the country's economic and financial plight. The findings of the mission generally supported the Liberian Government's request to the General Assembly and his delegation hoped that the Council would consider the mission's recommendations sympathetically.

95. Although Liberia was a founding Member of the United Nations, it had not reaped any significant benefit from the world body in economic terms. In 1972, when the IPF system had been introduced by UNDP, Liberia had been allocated only \$10 million for the first five-year cycle and the figure had not changed significantly since that time. Liberia's current IPF was only \$13 million at current prices, and inflation had greatly eroded its value. The Government had argued repeatedly that, given the Liberian economic structure, the indicators used to allocate the IPF did not adequately reflect the Liberian situation. In Liberia's case, GDP included the very substantial earnings of a sizeable population of resident expatriates in the large mining enclaves, the rubber-producing sector and the commercial sector. As a result, much of the GDP included payments abroad in the form of remitted salaries, profits and amortization in favour of foreigners.

96. The Liberian economy was dependent upon a narrow range of primary commodities, the price of which depended on external factors outside the Government's control. Growth depended on the performance of the export-oriented sector, which was dominated by the production of iron ore, rubber and forestry products. Since 1976, however, demand for iron ore had decreased sharply, prices had dropped and the iron-ore concessions had encountered various financial difficulties. International prices for rubber and logs had also declined considerably. The operational losses of the iron-ore industry in 1981 were reported to be in excess of \$70 million. By law, and under specific agreements, the Government was entitled to royalties and to 50 per cent of the profits of the iron-ore mining enterprises. Since 1980, even royalty payments had been suspended, with serious consequences for the budget. New investment had virtually ceased and concessionaires operating in the iron-ore industry had embarked on a campaign to cut costs, mainly through staff reductions, thereby aggravating the already serious problem of unemployment.

97. In 1980, Liberian GDP had declined by 4.7 per cent in real terms. In 1981, the economy had experienced a negative growth rate of 5 per cent. Unless Liberia received assistance from the international community for the reconstruction, rehabilitation and development of its economy, to complement the Government's current efforts, the prospects for the immediate future were not bright.

98. Foreign trade played a significant part in the Liberian economy, as reflected in the relationship of exports and imports of goods and services to GDP.

Between 1978 and 1981, the export earnings share had averaged 63 per cent a year, while imports had averaged about 58 per cent. Those figures demonstrated the very open nature of the Liberian economy, which made it extremely sensitive to developments in the world market. The major foreign-exchange earners, iron ore, rubber, diamonds, logs and timber, had accounted for well over 80 per cent of total export earnings in 1981. The merchandise balance of trade had always maintained a surplus, except in 1977, when a deficit had been recorded. In 1981, total export earnings had declined by 11.9 per cent from those of 1980, and imports had fallen by 10.6 per cent. Consequently, the balance of trade, though remaining positive, had registered a 22.2 per cent decline, from a trade surplus of \$66.6 million in 1980 to only \$51.8 million in 1981.

99. The terms of trade, which had been deteriorating continuously since 1976, had dropped by 17.7 per cent in 1981, reflecting the growing gap between export and import prices. The export price index had dropped by 12.3 per cent in 1981 as compared to 1980, reflecting the considerable reduction in export prices experienced in 1981.

100. Despite the grave financial situation, the Government had embarked on a four-year national development plan covering the period 1981/82-1984/85. The public sector investment programme for the period had been expected to amount to \$614 million at 1980 prices. The full implementation of the programme, however, was being hampered by the lack of budgetary resources, despite the severe pruning of the Government's recurrent expenditure over the past two years. There was no possibility of any substantial contribution from the Government towards financing the country's urgent development needs. Even ongoing projects undertaken with foreign support were in danger of being halted because of the lack of counterpart funds. The Government's development expenditure capacity was also hampered by increasing levels of debt service. Between 1975 and 1981, the ratio of debt service to domestic revenue had been 20 per cent, but the average for the last three years was slightly over 22 per cent.

101. The trend towards decline in the Liberian economy had now reached disastrous proportions. A high-level mission from IMF was currently visiting Liberia to help the Government to formulate a stabilization programme. The level of taxation was already so high that it was resulting in diminishing returns. If a budget could be completed, it would mean that a considerable number of Liberians would lose their employment. Liberian schools were crowded and the current year's graduates would merely join the ranks of the unemployed. The situation would create a disincentive for education, which would in turn increase the already high illiteracy rate of 80 per cent.

102. Most of the Liberian people had no roads, schools, electricity, or health facilities. Governmental development activities were not sufficient to maintain and operate the social and economic programmes which had been started. The country needed new and massive investment to put people to work and increase output. Such

investment must come from the Government and from private capital ventures. The development plan, which might achieve some measure of recovery, was in dire need of investment capital, and the inter-agency mission had identified some other investment programmes of vital importance.

103. The present Government of Liberia was acutely conscious of all those problems and felt that it would be able to do much more to alleviate them if the international community would only respond. Conscious that it was doing its best, it appealed to its friends in the United Nations for help in the present critical period of its national existence.

104. Mr. SCHUMANN (Observer for the German Democratic Republic) said that the documents before the Council on agenda item 4 and the impressive statements by the United Nations Disaster Relief Co-ordinator, the Joint Co-ordinator for Special Economic Assistance Programmes, Office for Special Political Questions and the United Nations High Commissioner for Refugees were evidence of the continuing need for disaster relief assistance through appropriate channels. The information given in those statements was very useful.

105. The assistance provided to disaster-stricken countries by the German Democratic Republic was, and would continue to be, granted primarily on a bilateral basis. In March 1982, materials worth about 1 million marks had been sent to the Democratic Republic of Madagascar to help to overcome heavy damage caused by cyclones. The Red Cross of the German Democratic Republic had sent a large consignment to Chad at about the same time. In 1981, relief aid provided by his country to Mozambique had amounted to approximately 43 million marks and 50 scholarships had been offered for training skilled workers from Mozambique. Extensive free assistance had been granted to the Government of National Reconstruction of Nicaragua; between July 1979 and the beginning of 1982, such help had amounted to about 39.6 million marks, including a donation of 50,000 tons of cereals. Other relief consignments in connection with natural disasters had been sent to Ethiopia, Democratic Yemen, Uganda, Zambia, Sao Tome and Principe, and Grenada.

106. Solidarity with countries finding themselves in a disaster situation was deeply rooted in the German Democratic Republic and formed an integral part of its national policy. On the same principle, his country supported the just demands of the developing countries for the establishment of a new international economic order, as also their struggle against colonialism, neo-colonialism, racism and *apartheid* and their fight for economic independence and social progress.

107. Many of the economic difficulties experienced by countries such as Mozambique, Botswana, Lesotho, Zambia, Zimbabwe and Angola were rooted in the aggressive policy of the South African *apartheid* régime. That policy, which South Africa had been encouraged to pursue by the close co-operation of the imperialist countries, was causing extensive damage in terms of material and of human life. It also impeded national and

international efforts to overcome those countries' economic difficulties. In the view of the German Democratic Republic, relief action for those countries included combating the *apartheid* régime. It was essential, therefore, that certain Western countries should comply with General Assembly resolution 36/172 and cease to collaborate with the racist régime of South Africa.

108. The efficiency of the various relief operations needed to be increased, in particular through better

co-ordination with the development activities of the countries concerned. Only in that way would it be possible to contribute not only to immediate relief but also to the elimination, as far as possible, of the causes of disaster situations. The German Democratic Republic would continue to support the developing countries in accordance with that principle.

The meeting rose at 5.20 p.m.

47th meeting

Tuesday, 20 July 1982 at 3.10 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.47

In the absence of the President, Mr. John R. Morden (Canada), Vice-President, took the Chair.

AGENDA ITEM 4

Special economic, humanitarian and disaster relief assistance (continued) (E/1982/29 and Corr.1, E/1982/76 and Corr.1; A/37/121, A/37/122)

1. Mr. WIDDOWS (Australia) said that his country, which strongly supported the concept of international burden-sharing in refugee and disaster situations, was somewhat disturbed by trends that might indicate a lessening of the commitment of traditionally active countries to carry out what might be called their responsibilities in international solidarity. From time to time, a sense of lethargy could be discerned, as new disaster appeals were launched, disaster situations continued over long periods, or new and complex refugee problems arose.

2. The situation in Kampuchea was a case in point. The fragile recovery achieved there after the near calamity of 1979 was still very tenuous, and the tens of thousands of refugees still huddled along the Thai border and in UNHCR holding centres in Thailand required the continued support of the international community for their care and sustenance. Governments could therefore not afford to allow themselves to be overcome by a sense of ennui. The same was true in the case of Afghanistan, whose refugee population now numbered more than 3 million. The burden was too much for the Government of Pakistan to bear alone; international assistance was required and would continue to be needed until a lasting political solution had been reached that would allow the refugees to return to their homes.

3. In keeping with its policy of responding generously to the needs of refugees, Australia had provided nearly \$40 million in the fiscal year 1981, as well as increasing bilateral development assistance to the African region, to

meet the special needs of African countries affected by drought and influxes of refugees. The most recent Australian initiative in that area had been the extension of financial and technical assistance to a number of countries in the Sudano-Sahelian region, under the auspices of the United Nations Sahelian Office, which continued to do excellent work. Australia would continue to give sympathetic consideration to the needs of countries affected by drought and influxes of refugees.

4. Mr. MURIITHI (Kenya) said that his delegation wished to thank the Council again for adopting resolution 1981/48 on assistance to the drought-stricken areas of Kenya, which had resulted in the inclusion of Kenya in General Assembly resolution 36/221 on assistance to the drought-stricken areas in Djibouti, Ethiopia, Kenya, Somalia, the Sudan and Uganda. The Kenyan delegation thanked the Secretary-General and the Administrator of UNDP for the steps they had taken to implement that resolution, but was disappointed to observe from the Secretary-General's report (A/37/122) that there had been only a limited response to his appeal for voluntary contributions.

5. Although rainfall in the subregion had been relatively sufficient in 1981, and the situation with regard to agriculture and livestock might be said to have improved, medium and long-term solutions were still called for to overcome drought problems in the area. Drought was a cyclical phenomenon, tending to recur regularly after each few years of adequate rainfall. Moreover, only one third of Kenya received sufficient rainfall, the rest of the country being semi-arid and arid. Even when the long rainy season was adequate in any one year, the short rains might be insufficient. Drought therefore constituted a permanent problem, not only in Kenya but in the subregion as a whole.

6. The Kenyan Government had been taking steps to reduce the problems caused by drought. Measures to that end in the current Five-Year Development Plan for 1979-1983 included reafforestation, the construction of

water catchments and dams, and the development of the arid and semi-arid lands. To implement those measures, however, Kenya needed external financial resources. The Kenyan delegation therefore appealed to the international community for assistance. It also appealed for a prolongation of the mandate given to the Secretary-General and the Administrator of UNDP in General Assembly resolution 36/221, so that they could continue to implement the provisions of the resolution, including the establishment of the proposed intergovernmental body.

7. Ms. GUO Yuanhui (China) said that the United Nations agencies concerned had performed effectively over the past year in the field of special economic assistance, and had helped the recipient countries to meet the more pressing of their immediate needs. For geographical and historical reasons, many of the developing countries, on attaining independence, had faced economic difficulties. United Nations assistance for the rehabilitation and development of those countries, needed to overcome the obstacles to progress and the attainment of self-reliance, should be supported by the whole international community.

8. Detailed accounts had been given of the situation in several developing countries that had suffered natural disasters in the past year. The competent United Nations agencies and the Office of the United Nations Disaster Relief Co-ordinator had all responded positively to the emergency situations in those countries, and commendable efforts had been made to provide relief and assistance. There was, however, still a serious world-wide refugee problem which constituted a heavy burden for the international community. UNHCR and other agencies had provided emergency relief to refugees in many countries, and services and projects designed to assist the refugees to become self-supporting. Their work should be applauded, as should the special contribution of Pakistan and Thailand to the relief and rehabilitation of refugees in East Asia. With assistance from UNHCR, China had been able to resettle 260,000 refugees from Indo-China. The co-operative effort to resettle so large a number of refugees had gone smoothly and produced gratifying results.

9. China, as a developing country itself, had only a limited ability to provide assistance to other developing countries. It was, however, providing such assistance as it could to certain developing countries that faced special difficulties. In that connection, the Chinese delegation approved the recommendation in the report of the Committee for Development Planning (E/1982/15 and Corr 1 and 2) that Djibouti, Equatorial Guinea, Sao Tome and Principe, Sierra Leone and Togo should be added to the list of the least developed among the developing countries. It believed that their inclusion would help them to overcome more effectively their problems in obtaining economic assistance, and would speed the process of national economic development.

10. Mr. NEKRASOV (Union of Soviet Socialist Republics) said that the Soviet Union fully shared the international community's concern at the economic plight

of countries facing emergencies resulting from natural catastrophes, and appreciated the assistance given to the stricken countries. It shared in the relief efforts and regarded international assistance as an important humanitarian task of any State. Its Government, and Soviet organizations such as the Union of Soviet Red Cross and Red Crescent Societies and the Soviet Committee for Solidarity with Asian and African Countries, provided assistance to disaster-stricken countries, chiefly on a bilateral basis—which, it was firmly convinced, was the most effective form of aid—providing foodstuffs, medicines, means of transport and other priority needs. Soviet assistance was never tied to any political conditions or used for economic advantage, but was based on full equality, non-interference in the internal affairs of States and respect for the right of States to choose their own development goals.

11. An important factor in alleviating disasters in a number of countries was the eradication of the causes. In southern Africa, one undeniable factor was the continuance of racist régimes and the resultant threat to the independence of the region's countries. The acts of aggression against Angola, Mozambique and Zambia, and the resultant suffering caused to the peoples and emerging economies of those States, hampered Africa's social and economic development as a whole and should be strongly condemned. Responsibility for the consequences, as the Soviet Union had frequently pointed out, rested with the racist régime of South Africa and its supporters among Western States.

12. The Soviet Union appreciated the problems facing many new States and gave them assistance and co-operation, as far as it was able, for economic development. For example, on the basis of an agreement with Mozambique for economic and technical co-operation, the Soviet Union had between 1976 and 1981 provided credits to Mozambique totalling 185 million roubles and had undertaken to co-operate in the planning and implementation of about 30 projects. Using the credits, six vocational and technical schools had already been built, geological surveys were being carried out, a project for an agricultural implement factory was being developed, two repair workshops for agricultural equipment were being built, and assistance was being given in the establishment of a ship repair yard. Help was being given in national management training; there were 109 Mozambican students in the Soviet Union, and some 680 Soviet experts were working in Mozambique.

13. In Guinea-Bissau, Soviet financial and technical co-operation was being provided in diesel-electric power station construction and well drilling; the services of Soviet lecturers, doctors, economists and geologists in that country were given free of charge, and management training was being given to Guinea-Bissau nationals. There had been 220 students from Guinea-Bissau in the USSR in 1981, a further 119 had been accepted, and 130 scholarships had been granted for advanced and intermediate specialized courses in the Soviet Union in 1982. In that year, the Soviet Union had granted Guinea-Bissau credits amounting to 3.5 million roubles

on favourable terms for the supply of foodstuffs and building materials, while essential hospital and medical equipment had been supplied with Soviet financial and technical assistance.

14. Similarly, Soviet credits and technical co-operation had been used in Cape Verde for the construction of a seaport on the island of Sal, and surveys were being conducted for the construction of ports on three other islands. The services of Soviet professional personnel, including agricultural experts, were provided free in that country also, and the Soviet Union was assisting in economic planning and providing free management training for Cape Verdean nationals. There were over 150 Cape Verdean students in the Soviet Union, and 42 scholarships had been granted to Cape Verde in 1982. More than 200 Cape Verdean students would be studying in the Soviet Union during the next five years. Foodstuffs, medicines and equipment had been supplied free of charge by the Soviet Union, and similar supplies were planned for 1982-1983.

15. Similar assistance had been provided to Benin, including geological surveys requested by that country's Government in 1977, an experimental agricultural station and the provision of agricultural technology and equipment under a credit of 8 million roubles, the services of Soviet doctors, and the free supply of medicines and medical equipment worth 100,000 roubles. Soviet lecturers were working in Benin under an agreement on cultural and scientific co-operation, and Soviet trainers were developing the nation's sporting skills. Some 400 Beninese students were in the Soviet Union at the latter's expense, and the Soviet Union had awarded 111 scholarships in 1982.

16. In Sao Tome and Principe, Soviet doctors were working, managerial training was being given and an electric power station on the Rio Grande was being built with Soviet financial and technical assistance, under a credit of 3 million roubles; 25 students from that country were studying in the Soviet Union, and 47 more would do so in 1982.

17. In Liberia, medical supplies amounting to \$110,000 had been supplied in 1980 through the Soviet Red Cross; research into the country's coastal fishing resources had been begun with Soviet assistance; the Soviet Union was assisting in management training for Liberians; 40 Soviet scholarships had been awarded in 1981 and more than 50 Liberians were currently studying in the Soviet Union.

18. Specialists from Equatorial Guinea, too, were being trained in the Soviet Union; there were 61 students at present, as well as 155 trainees in special subjects, and there would be 24 more in 1982-1983. The Soviet Union was providing free services for the development of sports in Equatorial Guinea, and Soviet experts were assisting in the development of an air transport network.

19. Soviet ties with Ethiopia were based on the 1978 Treaty of Friendship and Co-operation and the 1978 Agreement on Economic, Scientific and Technical Co-operation. The Soviet Union had provided Ethiopia with credits amounting to over 90 million roubles for

national economic development, including the construction of a petroleum processing plant and a thermal electric power station. The Soviet Union had donated a polytechnic institute to Ethiopia, and was assisting that country in the fields of industry, mining, transport and communications, agriculture and education. It was also assisting Ethiopia in combating drought; each year, through the Soviet Red Cross and Red Crescent Societies and other organizations, Ethiopia received free supplies of foodstuffs, blankets, tents, medicines and other equipment. There was now a large hospital at Addis Ababa. Cultural ties between the two countries were well established, and there was a Soviet cultural centre at Addis Ababa.

20. Nicaragua was yet another country to which the Soviet Union had provided relief assistance following a natural disaster.

21. Mr. CHOWDHURY (Bangladesh) said that Bangladesh attached great importance to the special economic, humanitarian and disaster relief programmes undertaken on the initiative of the Council and the General Assembly, particularly for the developing countries concerned. Countries affected by natural disasters and other economic difficulties deserved intensified assistance from the United Nations system because of the serious economic problems they were already facing. His delegation thanked the United Nations High Commissioner for Refugees for his comprehensive statement on the world refugee situation, and fully appreciated the commendable humanitarian role being played by UNHCR, particularly in view of the delicate and difficult nature of refugee questions. It also welcomed the statements made at the 46th meeting by the United Nations Joint Co-ordinator for Special Economic Assistance Programmes and the United Nations Disaster Relief Co-ordinator.

22. Bangladesh had supported various resolutions, at the General Assembly's thirty-sixth session and the Council's first regular session of 1982, on assistance to various countries, and noted that active measures had been taken, in the United Nations system, towards implementing them. However, it was disappointed to note the limited response to the Secretary-General's appeal for voluntary contributions to assist drought-stricken areas in East Africa, and the resultant inability of UNDP to assist in carrying out the various missions' recommendations for medium-term and long-term aid. It was regrettable that no action had been taken to establish an intergovernmental body, as recommended in General Assembly resolution 35/90, particularly since that would be a prerequisite for further action by the United Nations system.

23. His delegation had noted the Secretary-General's report on the International Conference on Assistance to Refugees in Africa (E/1982/76 and Corr. 1) and supported the view of OAU that any additional assistance for refugee-related projects should not be provided at the expense of the host countries' own development needs. In view of the current refugee situation, the General

Assembly should consider the need for a second Conference.

24. Mr. FARAH DIRIR (Observer for Djibouti) said that his delegation had noted with appreciation the statements made by the United Nations High Commissioner for Refugees and the United Nations Joint Co-ordinator for Special Economic Assistance Programmes, in particular the references to the refugee and disaster situations in Djibouti, and welcomed the attention drawn to the gravity of those situations and to the lack of programmes for the rehabilitation of drought-displaced persons. The report of the review mission due to visit Djibouti shortly was anxiously awaited; that report should appraise the current status of the special economic assistance programme for Djibouti, and it was hoped that it would be available for consideration by the General Assembly at its thirty-seventh session.

25. The Council was aware of the worsening of Djibouti's grave economic plight due to the continuing influx of refugees and drought victims. As a result of four harsh years of drought in the Horn of Africa, 130,000 nomads in Djibouti were threatened with famine. Some 26 per cent of the displaced nomads had lost all their livelihood. Nearly 2 million head of livestock—roughly 40 per cent of the total—had perished in the drought, and more had died in the subsequent heavy rains. The Government had been obliged to settle the victims in 12 temporary camps throughout the country. Living conditions in Djibouti continued to deteriorate, owing to the ever-growing numbers of refugees, a situation which taxed the country's meagre resources. The city of Djibouti had suffered from a sudden influx of urban refugees who refused to remain in camps, thus aggravating social and security problems. The National Assistance Committee for Refugees and Disaster Victims was making encouraging efforts, in collaboration with UNHCR and other agencies, non-governmental organizations and Governments, to assist urban refugees through rehabilitation and resettlement programmes in countries of second asylum, but the search for lasting solutions to the problems of refugees and displaced persons in Djibouti remained a matter of the utmost concern to the Government. Djibouti, which had limited agricultural potential because of its harsh climate, urgently needed to develop service industries in order to make its economy viable. It had hitherto been unable to cope with its trade and balance-of-payments deficits without continued external support. The Government, anxious to remedy the situation, had embarked on development projects to modernize the economically dynamic sectors of the service industries; it was also seeking to diversify the economy by promoting industry and agriculture, particularly through the construction of small production plants and the development of water resources. Although agricultural potential was limited, pilot projects were being carried out, in order to develop an agricultural livelihood for some refugee, drought-displaced and other nomadic families; if successful, they might lead to broader projects to provide life-supporting

skills, including training in fishing and small handicrafts and the establishment of vocational training centres.

26. The Government of Djibouti needed considerable external financial and technical assistance, both bilateral and multilateral, and hoped that the competent organs of the United Nations would act to make available the resources needed to implement the special economic, humanitarian and disaster relief assistance programmes.

27. Mr. TERREFE (Ethiopia) said that the importance his Government attached to practical measures for the relief and rehabilitation of its displaced persons and voluntary returnees was well known and could not be over-emphasized. Despite General Assembly and Council resolutions calling for the mobilization of humanitarian assistance, no adequate response had yet been made to support the Government's efforts. At the Council's first regular session of 1982, the representative of the Office of the United Nations Disaster Relief Co-ordinator had stressed the plight of displaced persons and returnees in Ethiopia, and the Ethiopian Commissioner for Relief and Rehabilitation had mentioned the urgency of the problem, noting that the response to the appeal for assistance was unfortunately insufficient to cover even the most urgent priority needs. The appeals launched by the Office on behalf of Ethiopia still remained valid, since, as had been noted in the report of the Secretary-General (A/37/122), the problem of drought still lingered in parts of the country.

28. Whilst expressing Ethiopia's sincere gratitude to all donor Governments, specialized agencies, other United Nations organs and voluntary organizations for their humanitarian concern and assistance, he repeated his Government's appeal for further attention to the pressing needs of some five million Ethiopians affected by natural and man-made disasters. The international community had not yet responded adequately to those people's plight.

29. As could be seen from table I in appendix I to the annex to document E/1982/76, there was a blatant difference, when the needs and the volume of assistance provided were compared, between Ethiopia and the region's other countries. It was hoped that action would be taken along the lines of the appeal made by UNHCR for funds towards an expanded programme to provide limited relief and rehabilitation assistance for returnees, and to promote conditions conducive to further voluntary repatriation. It could thus be seen that the plight of displaced persons and returnees, and of those affected by natural disasters, warranted no less attention than that of those sometimes vaguely referred to as refugees, whose numbers, in some instances, gave rise to serious doubts. The international community's concern should not be confined to selected countries or problems; all should be united in a common desire to relieve the untold sufferings of poor people throughout the region.

30. Mr. SLIM (Tunisia) thanked the United Nations Joint Co-ordinator for Special Economic Assistance Programmes, the United Nations Disaster Relief Co-ordinator and the United Nations High Commissioner for

Refugees for their statements and their untiring efforts to provide aid, on behalf of the international community, to countries suffering from natural and other disasters or from specially difficult economic conditions and to refugees and displaced persons throughout the world.

31. The Office of the United Nations Disaster Relief Co-ordinator played an essential role in providing emergency assistance. In disadvantaged regions in particular, natural disasters and calamities required immediate action, both to mitigate the immediate sufferings of the population and to prevent situations from deteriorating. The frequency and multiplicity of natural disasters required large-scale resources if the Office was to respond to all the requests it received for assistance and carry out its responsibilities as a United Nations body. Together with natural catastrophes, however, there could arise disaster situations that had different causes, and if the Office was to remain faithful to the spirit of the Charter of the United Nations, it must take care to direct its activities in accordance with a single fundamental principle: that the cause of man was indivisible, wherever it arose and regardless of the circumstances. In that connection, the Tunisian delegation strongly supported the part played by the Office in the assistance provided to the civilian population of Lebanon, so grievously injured by barbaric and unprecedented aggression.

32. The long list of countries faced with difficult economic conditions, to which the United Nations had decided to extend special assistance, indicated not only the importance of the effort being made by the international community but also how much remained to be done. Most of the countries concerned were in Africa, a continent which, despite its enormous potential human and natural resources, was still held back by its colonial heritage and was still struggling with the immense problems born of the chaotic post-colonial period. Unable to overcome the burdens of natural disasters, Africa had been equally unable to surmount the handicaps that prevented stability and development, and to break the ties of dependence on foreign countries, which were in many cases tightening, rendering their economies still more fragile and vulnerable. The African countries were not totally disadvantaged in terms of potential, but their economies remained weak because their development efforts had to contend with major difficulties, due for the most part to an unjust international trading system. Assistance to those countries, therefore, together with help in correcting the imbalances in their systems and restoring their economies, was in no way an act of international charity. On the contrary, it was an urgent duty, to be performed in a spirit of solidarity, based not only on a sense of justice, but also, at another level, on an objective appreciation by the developed countries themselves of their own interests in a world where all were interdependent and the widening of the gap between rich and poor countries was becoming increasingly unacceptable. It was also a precondition for stability in the region and, generally speaking, for peace throughout the world.

33. The situation of the African countries was being made worse by the continued influx into many of them of large numbers of refugees. The mass arrival of refugees in a given country posed a heavy economic and social burden that could seriously affect the host country's development programme. Since the resources of many of the countries concerned were often extremely limited, the critical situation created was a matter for grave concern. The problems required a mobilization of human and financial resources that was sometimes beyond those countries' possibilities. Nevertheless, with great dignity and generosity, the African countries of asylum had done all that they could to assist their refugee brothers and sisters. That in no way freed the international community from its obligation to continue and even increase its assistance, pending the final settlement of the refugee situation, in particular through voluntary repatriation.

34. The first International Conference on Assistance to Refugees in Africa had given hope to more than five million African refugees, the greatest concentration of refugees in the world. In his statement at the 46th meeting, the United Nations High Commissioner for Refugees had said that all but \$12 million of the \$574 million of contributions pledged at the Conference had been mobilized. The Tunisian delegation would like to hear that those funds had been distributed and used in accordance with the wishes and opinions of all the parties concerned. Since the African refugee problem persisted and needs were growing ever greater, his delegation was also in favour of holding a second Conference to complete the task of the first.

35. The Tunisian delegation was fully aware that it was illusory to imagine that a truly lasting solution could be found to the refugee problem unless the evil was attacked at its source, for its fundamental causes were essentially political. Any initiative in that direction by the international community would be a useful supplement to the activities of the High Commissioner in bringing the suffering of the refugees to an end. Until those root causes had been dealt with, however, it was the duty of the international community to continue to display interest and sympathy in the problem of refugees in Africa and elsewhere.

36. Mr. ABBY (Somalia), commending the efforts of the United Nations High Commissioner for Refugees to alleviate the refugee problem, said that the dimensions of the problem had serious consequences for the countries of asylum. Despite the international community's generous response, much remained to be done.

37. The purpose of the International Conference on Assistance to Refugees in Africa had been, firstly, to focus public attention on the plight of refugees in Africa, secondly to mobilize additional programme resources, and thirdly to help to obtain international assistance for projects aimed at strengthening the ability of countries of asylum to carry the extra burden placed on their services and facilities.

38. It had fulfilled the first two objectives. The maximum international attention had been focused on the refugee problem and pledges of some \$574 million had

been received. Unfortunately, however, the use of those funds, particularly with respect to the implementation of self-reliance projects in countries of asylum, had not been altogether satisfactory. His delegation urged the Steering Committee of the Conference to redouble its efforts to mobilize the necessary resources for projects designed to strengthen the capacity of countries of asylum to shoulder the heavy burdens placed on their services and facilities. It fully supported the call for the convening of an international review conference to assess the results and conclusions of the Conference and the current refugee situation in Africa, in compliance with the relevant General Assembly resolution.

39. He welcomed the objective assessment made by the review mission to Somalia of the overall needs of the refugees in his country and of the amount and type of assistance required to strengthen support services and facilities. It should be noted that, in addition to the 700,000 refugees taken as the basis for planning for the 1982 programme, a similar number of unregistered refugees were scattered in various regions of the country.

40. The report of the United Nations High Commissioner for Refugees (E/1982/29 and Corr.1) showed that some progress had been made in implementing short-term and long-term measures, particularly in health, education and other basic areas. The refugee situation in Somalia had not yet been stabilized, however. As a result of the escalation of tension and conflict in the area, the number of refugees had increased over the past few months. As one of the least developed countries seriously affected by the refugee problem, Somalia had massive needs which posed serious difficulties for its Government in implementing the national development programme. The United Nations should therefore keep the refugee situation in Somalia under constant review.

41. Since the most durable solution to the problem was voluntary repatriation, the appropriate climate must be created to encourage refugees to return to their homeland. The world refugee problem was an international responsibility which the world community should tackle in a spirit of co-operation, solidarity and regard for humanity.

42. Mr. HOSKINS (United States of America) said that, while the situation described at the 46th meeting was depressing, it need not be unduly discouraging. The disaster relief, refugee support and special economic assistance being given by the international community would go a long way towards meeting the needs arising from that situation.

43. The United States of America was participating in efforts to deal with the special economic problems which a number of countries were facing and to which the Council's attention had been drawn in various General Assembly resolutions. It had contributed \$1 million in 1981 for the implementation of projects for coffee and cocoa co-operatives and poultry production in Equatorial Guinea, and had initiated a \$1 million economic assistance programme, focusing on technical assistance,

in the Central African Republic. It was a major donor of economic assistance to Liberia and was continuing to assist that country in its efforts to restructure its policies and priorities in order to place its economy on a sound course of development. Its economic development assistance to Liberia in 1982 would total approximately \$47 million.

44. His country was also assisting the Government of Sao Tome and Principe in a \$1.6 million crop-diversification project aimed at increasing food production, and was providing significant assistance to Cape Verde to ease the hardship of 14 years' unabated drought. It was continuing to help Zambia to implement its development plans and move towards economic stability, particularly in food production, and intended to contribute \$25 million to Zambian development in 1982.

45. In Djibouti, where the relatively large numbers of refugees receiving government support was creating special problems for the country's underdeveloped and undiversified economy, the United States had provided \$6.5 million worth of assistance in 1981. It was continuing to assist the Government of Guinea-Bissau in its special focus on rural development and in increasing its rice production, and, since 1979, it had provided \$45 million for economic and technical assistance in the agricultural sector in Uganda.

46. To assist the isolated country of Lesotho to achieve greater economic self-reliance and to overcome economic and political dislocation, the United States was providing \$21.7 million in 1982. It was also supporting the economic rehabilitation of the Gambia and the objective of the Government of Botswana of achieving rapid economic growth, social justice, economic independence and sustained development. In addition, it was supporting the "growth with equity" policy of the Government of Zimbabwe with a \$50 million programme to assist in the country's infrastructural development and industrial growth.

47. In all those special situations, his country strongly supported all the assistance activities of the United Nations system, particularly those related to technology transfer and the development of private enterprise. Such assistance must, of course, be provided within available financial resources.

48. It was an unfortunate but inescapable fact that world events had caused refugee relief to become a major problem of the international community. His delegation welcomed the information on the current world refugee situation given at the 46th meeting. The United States, which was concerned in all three areas to which special attention had been drawn, strongly supported the objectives of the International Conference on Assistance to Refugees in Africa. Persecution and civil strife in Africa had resulted in a refugee population of some 2 million in that continent. The United States had traditionally responded to the misery and tragic sense of loss inseparable from the plight of all refugees. At the Conference, as a demonstration of its concern to relieve refugee suffering, it had pledged \$285 million for 1981 and 1982. Although it welcomed the report of the United

Nations High Commissioner for Refugees on the follow-up to the Conference, the benefits of a second Conference were not immediately apparent. The proposal would have to be justified by specific plans for the expansion of the economies and infrastructures of refugee-receiving countries and by the availability of additional resources.

49. The United States was seriously concerned about the plight of refugees in Somalia. It commended the open hospitality offered by the Government, and the efforts of the Government and UNHCR to provide relief assistance to the refugees. Ever since the problem had first arisen, the United States had been deeply involved. It had contributed \$50 million to the programme in 1980 and over \$45 million in 1981 and it would continue to contribute its share to the international relief effort in 1982, while hoping that the situation in the region of Africa concerned would improve, to enable some of the refugees to return home.

50. Emphasizing the importance attached by his country to self-reliance activities for the refugees, he said that new programmes were needed to lessen the dependency of the refugees and engage them in productive activities. The United States would play its part in developing and implementing such programmes by funding projects under a special 1982 appropriation for African refugee resettlement services and facilities. Long-term self-reliance and reforestation projects, with indicative budgets totalling \$12 million, were currently being designed.

51. The condition of the refugees in Somalia had improved significantly since the onset of the crisis early in 1980. A United States team which had visited the country in January 1982 had found that the health and nutritional status of the refugees was on a similar level to that of the local population. That success, which was a tribute to the international relief effort, was, however, fragile. Participants in relief needed to make the care and maintenance effort more effective and less costly. For most of the refugees living in the camps, voluntary repatriation might be months or years away. Meanwhile, it was important to provide self-reliance activities, in order to increase the refugees' ability to provide for their own well-being.

52. His country considered assistance to student refugees in southern Africa to be a particularly important aspect of refugee assistance. Thousands of young refugees had fled from persecution and strife in their home countries, thus interrupting their education. Although neighbouring African countries of asylum had open admission policies on their campuses, their resources were limited. The international community had taken a number of measures to improve the situation. Since the mid-1970s, the United States had taken a serious and sustained interest in educational assistance to refugees in southern Africa, which had been demonstrated by the provision of additional facilities to the University of Lesotho to allow it to accommodate refugee students, by multilateral assistance to the United Nations Education and Training Programme for Southern Africa,

the United Nations Institute for Namibia, the United Nations Trust Fund for South Africa and UNHCR, and by the provision of grants to the Phelps-Stokes Fund and the African-American Institute for scholarship assistance to refugee students from southern Africa for study in Africa and the United States.

53. When the conditions precipitating their flight from their home countries had been remedied, refugees willingly returned home and were offered suitable employment. Refugees from Zimbabwe were a good example. However, when refugees could not safely return to their home countries, they found it difficult to obtain employment in the African countries of asylum. Steps must be taken to match the skills of refugees with Africa's human resource needs.

54. His delegation greatly appreciated the activities of UNHCR and the Office of the United Nations Disaster Relief Co-ordinator in Lebanon and had offered immediate assistance to that country in meeting its disaster needs. It was willing to make \$65 million available for the purpose.

55. He reaffirmed his country's strong support for the programmes of special economic, humanitarian and disaster relief assistance and was confident that, with the support of the United Nations system and other donors, most of the needs could be met.

56. Mr. JAMAL (Qatar) said that his country, which had taken an active part in various disaster relief programmes through direct financial assistance and had also participated in the establishment of several trust funds, would continue to do its utmost to provide disaster relief aid and refugee assistance. His delegation welcomed the successful efforts of the competent United Nations bodies in relieving the suffering of millions of people throughout the world who were faced with natural disasters; it was confident that greater success in developing a more systematic response to such disasters would be forthcoming and that much more would be done to lessen their impact on people and their environment.

57. Man continued to add to the suffering and difficulties caused by natural disasters by creating more refugees through the pursuit of unjustified and morally indefensible violence. The recent Israeli invasion and occupation of Lebanon was a case in point. Israel had inflicted heavy casualties on the Lebanese and Palestinian peoples by its aggressive and barbaric actions. Observers, who were not anti-Israeli, had estimated that there had been 60,000 casualties, most of them civilians. The Israeli occupying forces had destroyed 130 villages, 3 towns and more than 20 Palestinian refugee camps. As a result of indiscriminate shelling and bombardment, more than half a million people had been made homeless, and were living in insanitary conditions and suffering from severe shortages of food and medical supplies. Disregarding the many appeals made to it by ICRC and other international organizations to allow food and medical supplies to pass its road-blocks, Israel had continued to impose a siege on Beirut, with a view to causing mass starvation among the inhabitants as a means of achieving its goals. Such continued inhuman policies of mass extermination were

reminiscent of Nazi policies of mass genocide and could only worsen the already serious situation caused by Israel's occupation of Lebanon.

58. The United Nations High Commissioner for Refugees had rightly pointed out that Lebanon needed an enormous volume of humanitarian assistance. Such assistance should take the form of emergency food and medical supplies and of efforts to release civilian captives detained by the Israeli forces, among them 243 children from the Ansar Refugee Camp, who had been interrogated by Israeli officers and were being exposed to inhumane conditions and treatment. Efforts must also be made to secure Israel's immediate withdrawal from Lebanon, in accordance with General Assembly resolution ES-7/5 and Security Council resolutions 508(1982) and 509(1982).

59. Mr. ACEMAH (Observer for Uganda) expressed his Government's appreciation to the United Nations Disaster Relief Co-ordinator, the United Nations Joint Co-ordinator for Special Economic Assistance Programmes and the United Nations High Commissioner for Refugees for their introductory statements. His delegation also took note with appreciation of the report of the Secretary-General on assistance to Uganda (A/37/121).

60. His Government had set for itself the goal of the complete recovery of the economy and of other aspects of national life. The policies and measures which it had introduced were directed not towards the treatment of the symptoms of the decline of his country's economy but towards the complete eradication of the causes. Over the past year, his Government had demonstrated that not only were the bold and decisive policy measures announced the previous year well conceived but that it had both the will and the capacity to implement them. Those policies had received the support of the international community at the meeting of the Uganda Consultative Group held in Paris in May 1982. The programme for recovery submitted to Parliament by the Ugandan President in 1982 would serve as a guideline for future action. His country's restored parliamentary democracy was working. Furthermore, peace and stability, a necessary pre-condition for economic development, had been restored.

61. The positive changes that had taken place in Uganda over the past year were reflected in the nature of the demands made on the Government by the people. Whereas one year previously, public demand had been for finished consumer goods, it was now for production tools. The impact on the economy of the measures introduced in June 1981 had been dramatic and key economic indicators were confirming that the Government's policies were achieving the intended objectives. The overall rate of economic growth was expected to exceed 8 per cent during the current year. Production in the export sector was recovering at an accelerated rate. Coffee sales for 1982 were expected to be 43 per cent higher than in the previous year, and Uganda would be able to fulfil its new increased quota of 2.9 million bags for 1981/82, the equivalent of 174,000 tonnes. The pro-

duction of other export crops, such as cotton, tea, tobacco and cocoa, had increased during the past year. For the first time in 10 years, Ugandan tea had appeared on the world market.

62. In the manufacturing sector, the signs of recovery were beginning to appear in some industries. In the transport and communications sector, progress had been made in removing bottlenecks. Emphasis had been placed on improving road transport linking farms, ranches, processing units and markets. Rail and air transport had also improved. Measures to revive the livestock industry and to restore the infrastructure on farms and ranches had also been taken.

63. The total cost of the recovery programme over the two years was estimated at \$565.5 million at 1982 prices. A further \$180 million had been provided for 1984/85. His Government had presented the recovery programme to the international community at the United Nations Conference on the Least Developed Countries, held in Paris, and in the forthcoming months it would assiduously follow up the success attained at that Conference, by engaging in bilateral negotiations.

64. Despite the difficult national and international economic situation, his Government's resolve to achieve the goals it had set remained strong.

65. The political leadership in Uganda had the vision, the commitment and the capability to revive the economy, and the people of Uganda were responding positively. The international community could and, it was hoped, would assist in various areas such as balance-of-payments support, reconstruction loans or grants, and debt relief.

66. In conclusion, he expressed his Government's gratitude to all those who had come to its assistance. He hoped that more assistance would be provided to meet the shortfall in the provision of his country's requirements.

67. Mr. BIRIDO (Sudan) said that his delegation commended the recent initiatives taken by the Office of the United Nations Disaster Relief Co-ordinator in the dissemination of information, the organization of lectures and seminars regarding disaster situations and the promotion of the study, prevention, control and prediction of natural disasters. While commending those initiatives, it wished to emphasize the need of the developing countries for improved disaster prevention and preparedness planning.

68. His delegation was particularly pleased by the timely initiative taken by the Secretary-General of the United Nations and the United Nations Disaster Relief Co-ordinator to mobilize emergency assistance to Chad. It hoped that the donor conference originally scheduled for June 1982 at Nairobi would take place as early as possible. His Government fully supported the efforts of the provisional Government of that country and appealed to the international community to provide urgent necessary assistance.

69. He hoped that the next report of the Secretary-General on the implementation of General Assembly resolution 36/221 would give more detailed information

on the efforts of the Secretariat to help the drought-stricken countries of East Africa to combat the effects of drought and other natural disasters. In that context, he stated that the efforts of the countries of the subregion to establish an intergovernmental body, as called for in General Assembly resolution 35/90, were still continuing.

70. The report of the Secretary-General on the International Conference on Assistance to Refugees in Africa (E/1982/76 and Corr.1) was intended to facilitate the consideration by the General Assembly at its thirty-seventh session of the necessity of convening a second Conference to review the status of the contributions and commitments made and to assess the needs and measures for further assistance. The report and the introductory statement of the United Nations High Commissioner for Refugees suggested that the refugee situation in Africa was very serious and that there had been an additional influx of refugees in a number of countries.

71. As was stated in paragraph 12 of the report, the Steering Committee of the Conference had noted with regret that no definite donor acceptances of the priority projects presented in the letter of 22 December 1981 transmitted by UNHCR had been received. In addition, there was no detailed information regarding contributions channelled through various specialized agencies and voluntary agencies. For those reasons, his delegation concurred in the views expressed by the Secretary-General in the first two sentences of paragraph 36 of the report. It believed that there was a need for another international conference on assistance to refugees in Africa, to review the results of the first Conference and to generate additional resources for the African refugees.

72. Mr. JOHNSON (Benin) said that he had drawn attention at the 42nd meeting to the difficult economic situation of his country and stressed the efforts his Government was making, with the assistance of the United Nations, to bring about an improvement.

73. A recent mission dispatched by the Secretary-General to Benin in accordance with General Assembly resolution 36/208 had been able to determine that its economic situation was still very serious and that the Government was making great efforts to improve economic and social conditions in the country. Those efforts were part of Benin's new policy of national independence proclaimed on 30 November 1972, of which one of the fundamental principles was self-reliance. As the result of stringent measures taken in the budgetary field, his Government had succeeded in balancing the budget and had had budgetary surpluses over the past few years.

74. In his delegation's opinion, the results achieved through his Government's efforts also served as a sound basis for the promotion of its investment programme. In that connection, he wished to inform the Council that some of the measures recently taken by his Government included the organization in June 1983 of a round table of providers of funds and the preparation of a new economic and social development plan.

75. It was regrettable that climatic conditions continued to have a serious impact on the process of economic and social recovery under way in his country. In that regard, he referred to the drought which had stricken Benin a few years previously and the heavy floods which were currently devastating the south of the country.

76. He hoped that the Council would duly evaluate the efforts which his Government was continuing to make in the field of economic and social development and make the appropriate recommendations to the General Assembly. His delegation was convinced that in the light of the up-to-date information provided in the report of the Secretary-General (A/36/269), the international community would be in a better position to assess the current economic and social situation in Benin and would grant it the necessary assistance on favourable terms, with a view to the proper execution of the special economic assistance programme for Benin.

77. Mr. KAMANDA WA KAMANDA (Zaire) said that, in general, the problems under consideration were of an urgent nature, and his delegation would have wished that urgency to be reflected in the action taken by the various United Nations bodies and organizations.

78. The special economic, humanitarian and disaster relief assistance programmes of the United Nations were based on the conviction that it did not serve the interests of the international community as a whole to have areas of poverty adjacent to areas of opulence, and that the security of islands of wealth in a sea of poverty was merely an illusion. As had been said, the destiny of men was one and indivisible. Therefore, whatever the circumstances, his Government had always supported and would continue to support the programmes of special assistance and the relevant United Nations resolutions.

79. His delegation expressed its appreciation to the United Nations Joint Co-ordinator for Special Economic Assistance Programmes for the efforts that were being made to meet the needs of the countries concerned for humanitarian and disaster relief assistance. Those efforts must be continued. It appealed to the international community to devote special attention to the serious problems of the countries in question, in the spirit of Article 1, paragraph 3, of the Charter of the United Nations, since no country could expect to achieve genuine development if the economic and social situation of its neighbouring States continued to deteriorate daily. His delegation supported the pertinent conclusions drawn by the Joint Co-ordinator at the end of his statement (46th meeting).

80. The delegation of Zaire expressed its gratitude to the United Nations High Commissioner for Refugees and his staff for the efforts they were making to improve the lot of refugees. It thanked the High Commissioner for the visit he had made to Zaire to see for himself the problems of the refugees. It was clear from the High Commissioner's analysis that the situation in Africa continued to be very disquieting.

81. The international assistance received so far, although considerable, had not enabled the African

countries to resolve the problems which had arisen or to launch the priority projects selected. His delegation therefore believed that an international conference should be convened in 1983 to review the status of contributions and commitments made at the International Conference on Assistance to Refugees in Africa and to assess the needs and measures for further assistance for refugees and returnees in the implementation of programmes for their relief, rehabilitation and resettlement. It approved the recommendations of OAU contained in paragraph 41 of the report of the Secretary-General (E/1982/76 and Corr.1).

82. In conclusion, he said that, whatever the difficulties and additional burdens involved, his Government would continue to make its contribution to helping the refugees on its soil. It supported the idea that the activities of the United Nations High Commissioner for Refugees should be accompanied by complementary political measures aimed at eradicating the profound causes of the plight of refugees throughout the world.

The meeting rose at 5.25 p.m.

48th meeting

Tuesday, 27 July 1982, at 3.25 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.48

AGENDA ITEM 6

Human rights questions

SITUATION OF HUMAN RIGHTS IN EQUATORIAL GUINEA

1. The PRESIDENT reminded members that, in its resolution 1982/36, the Council had requested the Secretary-General to discuss with the Government of Equatorial Guinea the role that the United Nations could play in the implementation of the plan of action proposed by the Secretary-General on the subject and to inform the Council at the current session of the steps taken to implement that resolution. He invited the Deputy Director of the Division of Human Rights to make an oral report.

2. Mr. NYAMEKYE (Deputy Director, Division of Human Rights) said that, in compliance with the Council's request in its resolution 1982/36, which it had adopted on the recommendation of the Commission on Human Rights and which concerned the provision of expert services in the field of human rights to Equatorial Guinea, the Secretary-General wished to inform the Council that the following steps had been taken in implementation of the resolution: a note verbale had been sent to the Government of Equatorial Guinea calling its attention to the resolution and requesting its co-operation in its implementation; and meetings had been held in New York by the Acting Director of the Division of Human Rights with the permanent representative of Equatorial Guinea to the United Nations and with officials of UNDP.

3. In a letter dated 4 May 1982, the President of Equatorial Guinea had informed the Secretary-General that the Equatorial Guinea National Commission was currently engaged in the drafting of a new constitution and he had requested the United Nations to provide the

Government with two qualified international experts to assist the Commission in its task. The Secretary-General had welcomed the request, which he had considered as being in line with the proposed plan of action for the restoration of human rights and fundamental freedoms in Equatorial Guinea.

4. The Secretary-General was pleased to inform the Council that, with the co-operation and assistance of Mr. Volio Jiménez, the expert who had prepared the report on Equatorial Guinea submitted to the Commission on Human Rights at its thirty-seventh session, the following experts had been recruited to assist the Equatorial Guinea National Commission in drafting a constitution: Mr. Ruben Hernández Valle (Costa Rica) and Mr. Jorge Mario Laguardia (Guatemala). Both experts had arrived at Malabo on 14 July 1982.

5. Mr. GAUDREAU (Canada) said that his delegation was pleased to note that some progress had been achieved in the implementation of the plan of action proposed by the Secretary-General. It hoped that the Division of Human Rights would continue to lend its support to the implementation of the plan and that a detailed report would be submitted to the Commission on Human Rights at its thirty-ninth session.

6. The PRESIDENT suggested the following draft decision for consideration by the Council:

“The Economic and Social Council takes note of the oral report made by the representative of the Secretary-General in pursuance of Council resolution 1982/36 of 7 May 1982 on the situation of human rights in Equatorial Guinea.”

7. If he heard no objection, he would take it that the Council wished to adopt the draft decision.

The draft decision was adopted [decision 1982/150].

8. The PRESIDENT said that the Council had decided at its 30th meeting to consider the question of the

scheduling of the annual session of the Commission on Human Rights in the context of its consideration of agenda item 7. The Council would therefore revert to that matter when it took up item 7.

AGENDA ITEM 4

Special economic, humanitarian and disaster relief assistance (*continued*) (E/1982/L.49)

9. The PRESIDENT invited the Council to consider draft decision E/1982/L.49 on special economic, humanitarian and disaster relief assistance. The item was also included in the agenda of the thirty-seventh session of the General Assembly, where a more detailed discussion of the question would be conducted.

10. He wished to inform members that he had received a communication from the Chairman of the Committee of the Whole of ECLA, at its fifteenth special session, transmitting the text of a resolution adopted by that Committee concerning assistance to Honduras and Nicaragua, following damage caused in those countries by floods. The communication would be circulated under the symbol E/1982/L.50.

11. If he heard no objection, he would take it that the Council wished to adopt draft decision E/1982/L.49.

Draft decision E/1982/L.49 was adopted [decision 1982/151].

12. The PRESIDENT said that, in connection with the Council's consideration of the item, he would like to express his deep concern over the tragic events in Lebanon and the sufferings of the Lebanese and Palestinian civilian population. He appealed to all parties to the conflict to respect the rights of the civilian population and to take all appropriate measures to alleviate the suffering caused by those events, in particular by expediting the dispatch and distribution of humanitarian aid provided by United Nations agencies and other intergovernmental and non-governmental organizations to West Beirut and other areas affected by the conflict, and to restore the provision of essential supplies and services.

13. He also appealed to all States to intensify their efforts to provide humanitarian assistance.

AGENDA ITEM 7

Revitalization of the Economic and Social Council (*continued*)* (E/1982/L.48)

14. The PRESIDENT said that, as a result of consultations held on the basis of Conference Room Paper 1982/4, he was submitting draft resolution E/1982/L.48 for consideration by the Council.

15. Action on the draft resolution would be deferred to a later meeting, pending the receipt of information from New York with regard to its implications for the calendar of meetings of other intergovernmental bodies.

16. He appealed to all members to maintain the spirit of compromise which had prevailed throughout the discussion of the item.

17. Mr. JOSEPH (Australia) said that, despite its lengthy debates and voluminous documentation, the Council could on occasion take rapid action and that it continued to perform well in the social area, as in the initiative which it had taken recently and which had led to the convening of an international conference on Kampuchea.

18. Nevertheless, his delegation still felt that there was room for improvement.

19. In its earlier comments, his delegation had stressed the value of annex II of Conference Room Paper 1982/4. It was therefore disappointed to note that that annex was not appended to draft resolution E/1982/L.48.

20. While he was aware that the gist of the annex was embodied in the draft resolution because it referred to General Assembly resolution 32/197, much of what was stated clearly in the Conference Room Paper was stated less explicitly in the text under consideration.

21. His delegation was concerned that the Council would not recover the position which the framers of the Charter of the United Nations had intended for it until it was made a more representative organ. The draft resolution seemed to refer mainly to administrative problems. In his delegation's opinion, however, the problems facing the Council were primarily political.

22. His delegation continued to think that the more fundamental issues needed to be dealt with, and it hoped that that would be done soon.

23. The PRESIDENT said that the text in draft resolution E/1982/L.48 was the best that could be achieved at present and that it was necessary to adopt a step-by-step approach.

24. Mr. MILLER (United States of America) said his delegation wished to propose two amendments to operative paragraph 1 (*d*) of the draft resolution: the word "shall" should be replaced by the word "may" and the word "agreed" should be inserted between the words "formulate" and "conclusions".

25. After an exchange of views in which Mr. KAMANDA WA KAMANDA (Zaire), Mr. VRHUNEC (Yugoslavia), Mr. PARANHOS VELLOSO (Brazil) and the PRESIDENT took part, Mr. MILLER (United States of America) said that, with a view to harmonizing the French and English texts, his delegation proposed the replacement in operative paragraph 1 (*d*) of the words "the Council shall formulate conclusions" by the words "the Council may, as appropriate, formulate conclusions".

26. The PRESIDENT said that consultations would be held between the interested delegations and that the Council would revert to the item on the following day.

* Resumed from the 45th meeting

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued)**

27. Mr. ATTAF (Observer for Algeria), introducing draft resolution E/1982/L.45 on the identification of the least developed among the developing countries, on behalf of the States members of the Group of 77, said that it was one in a series of resolutions and decisions adopted by the Council and the General Assembly. He hoped, in view of the importance which the international community attached to promoting the development of developing countries, especially the least developed among them, that it would meet with the approval of the Council.

28. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt the draft resolution.

Draft resolution E/1982/L.45 was adopted [resolution 1982/41].

29. Mr. FARAH DIRIR (Observer for Djibouti) said that, in his delegation's opinion, the resolution just adopted constituted a successful outcome of the combined efforts of all who for the past few years had been endeavouring to convince the competent organs of the United Nations of the acute economic difficulties confronting the least developed countries.

30. He expressed his appreciation of the fact that the resolution had been the subject of a consensus in the Council and looked forward to the final adoption of the recommendation by the General Assembly.

31. The PRESIDENT said that, under agenda item 3, the Council also had before it draft resolutions E/1982/L.46 entitled "Protection against harmful or potentially harmful products" and E/1982/L.47 entitled "Long-term trends in world economic and social development". Informal consultations were continuing on the two draft resolutions.

32. Mr. TER HORST (Venezuela), speaking on behalf of the sponsors, introduced the draft resolution on protection against harmful or potentially harmful products (E/1982/L.46). The preamble described the international situation that had led to the submission of the draft resolution. Many harmful products continued to be manufactured and, despite the fact that their use or sale was prohibited in their country of origin, to be exported to the developing countries. Those countries, however, frequently lacked the expertise required to protect themselves against them. Since most of the products in question were manufactured by and exported from a limited number of industrialized countries, it should not be difficult to reach an agreement which would put an end to that state of affairs.

33. Operative paragraph 3 requested the Secretary-

General to prepare a consolidated list of products whose consumption, use or sale had been prohibited by national Governments or challenged by authoritative institutions. The purpose of that paragraph was to unify sectoral activities within the United Nations system, in particular those of WHO and UNEP, and to provide consumers in developing countries with a consolidated document which would help them to protect themselves.

34. The sponsors wished to propose a further operative paragraph, dealing with procedure, to read "*Further requests* the Secretary-General to suggest ways and means for the effective implementation of the present resolution at the second regular session of the Economic and Social Council of 1983".

35. Mr. KAMANDA WA KAMANDA (Zaire) said that his country wished to join the sponsors of the draft resolution. He was sure that all nations would wish to apply the principle that products which had been declared harmful in their own countries should not be exported to other countries.

36. Mr. RIPERT (Director-General for Development and International Economic Co-operation) said that the phrase "or challenged by authoritative institutions" in operative paragraph 3 might make it difficult for the Secretary-General to carry out the terms of the draft resolution. It was not easy to determine which institutions were authoritative, and views could also change over time. A subjective judgement would necessarily be involved and might lead to controversy.

37. Mr. SEVAN (Secretary of the Council) hoped that the sponsors of the draft resolution would be prepared to show flexibility over the time allowed to the Secretary-General to make his suggestions for implementing the resolution. It was a broad subject but he hoped to be able to inform the Council shortly whether it would in fact be possible to prepare the required suggestions for the second regular session of 1983.

38. The PRESIDENT said that consultations would continue on the draft resolution, as amended. He invited the observer for Algeria to introduce, on behalf of the States members of the Group of 77, the draft resolution on long-term trends in world economic and social development (E/1982/L.47).

39. Mr. ATTAF (Observer for Algeria) drew attention to a drafting change in the preamble to the draft resolution proposed for adoption by the General Assembly. The words "which laid the foundations for the new international economic order" at the end of the second preambular paragraph should be placed after the words "its resolutions 3201(S-VI) and 3202(S-VI) of 1 May 1974".

40. The draft resolution proposed for adoption by the General Assembly was based on two principles: firstly, the need to strengthen and expand international co-operation for development, made most urgent by the long-term implications of prevailing economic and social conditions and trends in the world economy and in the economies of the developing countries in particular, and secondly, the relevance of regular studies of long-term

** Resumed from the 44th meeting

perspectives for providing impetus to policies and decision-making processes related to development strategies and economic co-operation at all levels, national, regional and global. Taking note of the report of the Secretary-General on an overall socio-economic perspective of the world economy to the year 2000, the draft resolution proposed that a study of such long-term trends should be made every three years. As a first stage, the Secretary-General was requested to prepare the next comprehensive report on the socio-economic perspective in 1985. The Committee for Development Planning was invited to take the content of the report on an overall socio-economic perspective of the world economy to the year 2000 into account in the conduct of its future work. Under operative paragraph 5 of the draft resolution, the General Assembly would decide to include an item entitled "Long-term trends in economic development" in the provisional agenda of its fortieth session.

41. The PRESIDENT said that draft resolution E/1982/L.47 would be discussed later in the week.

AGENDA ITEM 8

Convening of an International Conference on Population in 1984

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/95)

42. The PRESIDENT invited the Council to consider the report of the First Committee (E/1982/95). In paragraph 10 of the report, the Committee recommended to the Council the adoption of a draft resolution, on which he invited the Council to take a decision.

Draft resolution: Convening of an International Conference on Population in 1984

43. Mr. JAYANAMA (Thailand) said that his delegation would have liked to join, in the First Committee, in sponsoring the draft resolution.

44. Mr. SMIRNOV (Union of Soviet Socialist Republics) asked for a separate vote on the words "to the maximum extent possible" in operative paragraph 5, on which a separate vote had been taken in the First Committee, followed by a vote on the draft resolution as a whole.

The USSR proposal for the deletion from operative paragraph 5 of the words "to the maximum extent possible" was rejected by 36 votes to 4, with 9 abstentions.

The draft resolution was adopted by 45 votes to none, with 4 abstentions [resolution 1982/42].

45. Mr. POPOV (Bulgaria), speaking on behalf of the socialist States of Eastern Europe which were members of the Council or present as observers, said that those delegations regarded the recommendation in paragraph 5, earmarking \$800,000 from the United Nations regular budget for the International Conference on Population to be held in 1984, as not being in accordance with the practice of the Economic and Social Council and as undermining the functions of the Fifth Committee of the General Assembly. Moreover, the sum was unjustifiably

high. The Secretariat had not carried out the terms of the resolution adopted by the Council in 1981 (resolution 1981/74), providing that, to the maximum extent possible, the Conference should be funded from extrabudgetary resources. Those delegations were also not in agreement with the recommendation that the preparatory work should be financed from the regular United Nations budget. Since no assessment had as yet been made of the amount of extrabudgetary sources that would be available for the Conference, it was too early to earmark a fixed share of the regular budget. Those States considered that, in view of the absence of detailed information on the status of extrabudgetary resources for the Conference, the discussion should have been postponed to the resumed second session of the Economic and Social Council of 1982.

46. Ms. FORD (Canada) said that her delegation had voted in favour of the resolution because it fully supported the objective of the Conference. In accepting the compromise on the financing of the Conference put forward by the sponsors in paragraph 5, however, she wished to reiterate Canada's position of principle on the financing of United Nations' conferences, which was that conferences agreed to by Member States should be financed from the regular budget.

47. Mr. SORZANO (United States of America) said that his delegation had supported and continued to support the convening of an International Conference on Population in 1984. The principle governing the financing scheme for the Conference, namely the utilization of extrabudgetary resources to the maximum extent possible, was a necessity in the present time of budgetary constraint and was worthy of future emulation. In view of its continued commitment to the policy of zero growth in the regular budget of the United Nations, the United States delegation regarded \$800,000 as the maximum that could be provided for the Conference from the regular budget and expected that the Secretariat would be able to obtain it through the reallocation of existing budgetary resources.

48. Mr. FAURE (France) stressed his delegation's interest in the International Conference on Population and its approval of the close co-operation between the Secretariat and UNFPA. It also shared the view that there should be no growth in the regular budget and that funds for new activities should be found through the reallocation of existing resources. If a detailed examination showed that not all the expenditure envisaged could come out of the regular budget, however, it would agree to a part of it being financed from new resources, but the sum of \$800,000 should be the maximum to be drawn from the regular budget. If the cost of the Conference exceeded \$2.3 million, the additional expense should be covered by extrabudgetary contributions. Similarly, if voluntary contributions exceeded \$1.5 million and there was no change in the cost of the Conference, the amount to be contributed from the regular budget should be reduced.

49. Mr. BOYD (United Kingdom) reaffirmed his delegation's belief in the importance of the International Conference on Population, and said that its views on

zero-growth in the budget were well known. He trusted that the amount that had been earmarked for the preparation of the Conference would be found through corresponding savings elsewhere in the budget.

50. Mr. LEIKVANG (Norway) associated his delegation with the views expressed by the delegation of Canada.

51. Mr. JOHNSON (Benin) said that, if his delegation had been present during the vote on the draft resolution on the International Conference on Population, it would have voted in favour of it.

52. Mr. ROZENTAL (Mexico) thanked the Council for accepting his Government's offer to act as host to such an important meeting. He was sure that the Conference would be successful and that no problems would arise with respect to the arrangements.

53. The PRESIDENT said that, as indicated in paragraph 6 of the resolution just adopted, the Secretary-General of the Conference would report to the Council at its resumed second regular session of 1982 on the status of his efforts to raise extrabudgetary resources for the Conference. Accordingly, agenda item 8 would be left open.

AGENDA ITEM 10

Public administration and finance matters

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/97)

54. The PRESIDENT drew attention to the three draft resolutions and one draft decision recommended by the First Committee in paragraphs 19 and 20 of its report (E/1982/97) for adoption by the Council. The Committee had adopted those draft resolutions and the draft decision without a vote.

Draft resolution I: International centre for public accounting and auditing

The draft resolution was adopted [resolution 1982/43].

Draft resolution II: Public administration and finance for development

The draft resolution was adopted [resolution 1982/44].

Draft resolution III: International co-operation in tax matters

55. Mr. POPOV (Bulgaria) said that delegations of the socialist countries of Eastern Europe members of the Council and those present as observers had not opposed the adoption by consensus of draft resolution III, since the final text confirmed the need for the *Ad Hoc* Group of Experts to continue its work, particularly on measures to combat tax avoidance. The development of guidelines was of particular importance for the developing countries, which suffered huge losses arising from the machinations of transnational corporations and the extent to which the latter concealed their tax indebtedness, evaded taxation and exported excess profits. Such guidelines should be the Group's main subject of attention.

56. Not until the Group had completed that task,

however, should the question of amending its terms of reference be broached; that was precisely the socialist countries' understanding of operative paragraph 4. It should be emphasized that there could be no question of revising the terms of reference of the Group to the detriment of the Group's current functions or machinery, or of thereby causing any increase in expenditure from the regular budget.

57. Mr. BOYD (United Kingdom) said that the sponsors of draft resolution III had welcomed the consensus achieved on its text, which was intended as a balanced approach, and they looked forward to the outcome of the decision in operative paragraph 4.

The draft resolution was adopted [resolution 1982/45].

Draft decision: Report of the Secretary-General on the results of the Second International Symposium on the Mobilization of Personal Savings in Developing Countries

The draft decision was adopted [decision 1982/152].

58. The PRESIDENT said that the Council had thus concluded its consideration of agenda item 10.

AGENDA ITEM 13

International co-operation in the field of human settlements

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/101)

59. The PRESIDENT invited the Council to consider the report of the First Committee (E/1982/101). In paragraph 11 of the report, the Committee recommended to the Council the adoption of a draft resolution, comprising part A on international co-operation in the field of human settlements, and part B on the International Year of Shelter for the Homeless, and two draft decisions.

Draft resolution: Human settlements

The draft resolution was adopted [resolution 1982/46].

60. Mr. SORZANO (United States of America) said that his delegation had joined in the consensus on draft resolution B, relating to the International Year of Shelter for the Homeless. In the fourth preambular paragraph, however, it would have preferred the words following "proposed by the Executive Director" to be replaced by the words "and looked forward to a more detailed breakdown of suggested expenditures". His delegation hoped that, when the General Assembly reviewed the text at its thirty-seventh session, it would consider adopting that amendment.

Draft decision I: Report of the Secretary-General on the living conditions of the Palestinian people in the occupied Palestinian territories

The draft decision was adopted [decision 1982/153].

Draft decision II: Report of the Secretary-General on the financial and organizational implications of holding an International Year of Shelter for the Homeless

The draft decision was adopted [decision 1982/184].

61. The PRESIDENT said that the Council had thus concluded its consideration of agenda item 13.

AGENDA ITEM 17

Science and technology for development

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/105)

62. The PRESIDENT drew the attention of the Council to the report of the First Committee (E/1982/105), and to the draft decision recommended by the Committee in paragraph 7 thereof.

Draft decision: Report of the Intergovernmental Committee on Science and Technology for Development

The draft decision was adopted [decision 1982/155].

63. The PRESIDENT said that the Council had concluded its consideration of agenda item 17.

AGENDA ITEM 22

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

AGENDA ITEM 23

Assistance to the oppressed people of South Africa and their national liberation movement by agencies and institutions within the United Nations system

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1982/93)

64. The PRESIDENT invited the Council to consider the report of the Third Committee (E/1982/93), and drew attention to the two draft resolutions reproduced in paragraph 15 of the report.

65. Mr. SEVAN (Secretary of the Council), replying to a question by Mr. IVERSEN (Denmark) on behalf of the European Economic Community relating to paragraph 10 of the report, said that it was the practice to indicate in reports only the names of sponsors of draft resolutions or of delegations which had made statements in explanation of vote.

Draft resolution I: Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations and assistance to the oppressed people of South Africa and their national liberation movement by agencies and institutions within the United Nations system

66. Mr. SBIHI (Observer for Morocco) said that his delegation supported draft resolution I and would have been prepared to co-sponsor it.

67. The PRESIDENT invited the Council to vote on the draft resolution, which had been adopted by the Third Committee by 23 votes to 1, with 7 abstentions.

The draft resolution was adopted by 43 votes to 1, with 7 abstentions [resolution 1982/47].

68. Mr. SORZANO (United States of America), speaking in explanation of vote, said that his delegation had been unable to support the resolution. There was no question, however, that the United States of America believed in the ideal of national independence, and had always been guided by it. As a former colony, it naturally opposed colonialism in any form; in fact, as the first new nation, it had marked the beginning of decolonization. The nation had always remained faithful to the idea of national independence as a legitimate aspiration of all peoples and had repeatedly expended efforts, resources and even lives in helping to create, maintain and restore the independence of other nations. No one could truthfully accuse the United States of colonialism or of maintaining colonial possessions and enclaves; sadly, that could not be said of some other nations.

69. The United States also believed in democratic processes and institutions. It therefore felt that the implementation of Security Council resolution 435 (1978) was the sole constructive means to end the conflict in southern Africa; but it continued to oppose the provision of United Nations assistance to national liberation movements, including SWAPO, which it did not regard as the "sole and authentic representative of the Namibian people".

70. The United States had always regarded the principle of the equality of man as self-evident and, throughout its history, had struggled to translate that principle into reality. The process had been difficult and was still incomplete, but the United States was proud of its achievements in the continuing fight against racism in all its manifestations. It was natural, therefore, that it should reject *apartheid* and that it should seek to help in solving the problem by various means, including education—the most liberating force known to mankind. The United States had participated in programmes such as the United Nations Educational and Training Programme for Southern Africa and was about to launch an \$8 million programme of educational assistance for disadvantaged South Africans. It supported United Nations assistance to refugees without distinction and gave substantial and continued contributions to UNHCR and other United Nations agencies.

71. His delegation was unable to support the resolution and hoped that it would not damage the atmosphere of the current talks on Namibia, which had reached the point where a settlement might be imminent.

72. Mr. DE SOUZA (France), speaking in explanation of vote, said that France had often expressed its condemnation of *apartheid* and had contributed to the United Nations Trust Fund for South Africa, for the benefit of victims of *apartheid*, as well as to funds for the education and training of disadvantaged South Africans, including refugee students. It did not consider, however, that the United Nations specialized agencies had a

mission to assist national liberation movements, particularly through initiatives which appeared to be selective and discriminatory. France had therefore abstained in the vote on the draft resolution.

73. Mr. ZIMMERMANN (Federal Republic of Germany), speaking in explanation of vote, said that his delegation was among those which had felt obliged to abstain in the vote. It would have preferred an adoption by consensus, but the draft resolution had included, in both its preambular and its operative parts, references which were quite unsuitable to the tasks of United Nations agencies. In general, the reasons for his delegation's position had been frequently expressed in the General Assembly and other United Nations forums.

74. Mr. MIYAKAWA (Japan), speaking in explanation of vote, said that his delegation had voted in favour of the draft resolution, but wished to state that it could not accept some of its provisions, which were incompatible with the Japanese Government's position.

75. Mr. DA CRUZ (Portugal), speaking in explanation of vote, said that Portugal's position with regard to the Declaration on the Granting of Independence to Colonial Countries and Peoples was well known, as was its condemnation of *apartheid*. It attached great importance to assistance, by the United Nations system, to oppressed people of South Africa; there were clear mandates for such action, which would contribute positively to the struggle for self-determination and independence. As had been stressed in the Third Committee's deliberations, United Nations action in that field could be improved, particularly with regard to southern Africa and Namibia. His delegation regretted, therefore, that it had been unable to support the draft resolution, because of some discriminatory references, including the mention of certain General Assembly resolutions.

76. Mr. GAUDREAU (Canada), speaking in explanation of vote, said that his delegation had abstained because it could not accept some of the provisions in the draft resolution. The Canadian Government could not support the trend towards the financing of liberation movements from the United Nations regular budget. The question whether the attendance of liberation movements at meetings of United Nations institutions should be financed by the body concerned should be examined in each individual case, and there should be no general rule. Canada supported the provision of multilateral technical assistance to legitimate victims, including freedom movements, and appreciated the role of various United Nations agencies in such tasks. Considering the meagre financial resources available, however, it was essential that any United Nations action should be co-ordinated, in order to avoid duplication.

77. The recommendation that the United Nations Council for Namibia should be admitted as a full member of intergovernmental institutions, which were composed of Member States, was highly questionable, but, in saying that, he must mention the efforts made by Canada and other Western States in seeking ways to enable Namibians to achieve full independence and sovereignty.

78. Mr. LEITENBAUER (Austria), speaking in

explanation of vote, said that his delegation's vote in favour of the draft resolution reflected Austria's well-known position on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples with regard to southern Africa. His delegation could not, however, accept all the specific provisions of the resolution as far as their implementation by various independent organizations and agencies was concerned. His delegation's vote could not prejudge Austria's position that the autonomy of the specialized agencies within the United Nations system must be duly respected in the implementation of the resolution.

79. Ms. GOMEZ (Colombia), speaking in explanation of vote, said that although her delegation had always supported the South African people's struggle for self-determination, it had serious reservations about references to SWAPO as the Namibian people's "sole legitimate representative".

80. Mr. BOYD (United Kingdom), speaking in explanation of vote, said that his delegation had abstained, for the reasons it had already expressed in connection with Council resolution 1981/54.

Draft resolution II: Assistance to the Palestinian people

81. The PRESIDENT invited the Council to consider draft resolution II; the text had been adopted by the Third Committee by 37 votes to 1.

82. Mr. SEVAN (Secretary of the Council) said that, if the draft resolution was adopted, it would have to be made clear at what session of the Council the Secretary-General was to report to it pursuant to operative paragraph 6.

83. Mr. SOFFER (Observer for Israel) said that the introduction of draft resolution II should arouse indignation among all those genuinely concerned with global economic, social and humanitarian problems. Under the guise of a humanitarian-related item, certain hostile elements sought to abuse the Council by introducing a purely political draft. Although it had been submitted by Algeria, it was well known that its actual instigator was the PLO. The delegation of Israel deplored the fact that the issue was being exploited as an instrument of political warfare. It was regrettable that the Council should be wasting its valuable time and resources on a political subject, outside its mandate, which was being dealt with extensively in the Security Council and the General Assembly. The draft resolution, moreover, placed international events and situations dangerously out of context and hindered efforts to devote attention to the serious problems that manifested themselves throughout the world.

84. The draft resolution focused on only one particular aspect of an extremely complex problem and ignored the overall picture. It censured recent Israeli measures against the terrorists who were striving to extirpate Israel, but ignored the destructive goal of the terrorists themselves and the countless atrocities they had committed. The application of such a double standard was a flagrant violation of the Charter of the United Nations.

85. The draft resolution was concerned with assistance to the Palestinians at present in Lebanese territory, although the agenda item that the Council was supposed to be discussing pertained to assistance to Palestinians living in the territories legally administered by Israel. The draft resolution could not be reconciled with the agenda item and should be rejected out of hand.

86. It was curious that the PLO should have initiated the draft resolution, for it was that same terrorist organization that had been instrumental in bringing about the tragic devastation and disintegration of Lebanon. The PLO, with the complicity of the Syrian army, had implemented a policy of genocide against the Lebanese people. Lebanon had been ravaged by PLO subversion and Syrian aggression, and the country's territorial integrity, sovereignty and political independence had been undermined. Moreover, since it had first invaded and occupied Lebanon in 1976, the Syrian army had encouraged and assisted the incessant attacks of the PLO on the civilian population of northern Israel.

87. In the draft resolution, the PLO purported to champion the cause of civilians. Yet over the years those terrorists had launched thousands of indiscriminate operations against Israeli civilians. Unfortunately, misinformation aimed at discrediting Israel had grossly exaggerated the civilian casualties incurred during the operation "Peace for Galilee". The PLO itself was responsible for the casualties that had occurred. They would have been avoided had the terrorists not deliberately stationed their headquarters, military installations and arsenals in densely populated civilian areas, using the Lebanese people as a human shield. The PLO was continuing that inhumane policy and ruthlessly holding the entire civilian population of West Beirut hostage. Israel had taken every possible precaution to avoid incidental civilian casualties and damage.

88. In contrast to the terrorism of the PLO, the Government of Israel, in co-operation with the Government of Lebanon, ICRC and the appropriate United Nations agencies, had successfully implanted an extensive humanitarian programme of aid for the Lebanese population. Israel was allocating one million shekels a day to ensure that those people were provided with adequate housing facilities and sufficient food, water and other basic needs. It had expended an additional \$1 million on medical equipment, supplies and treatment for the Lebanese people.

89. From the beginning of its defensive operation, Israel had consistently applied, as appropriate, all four Geneva Conventions of 1949 to the territories it had occupied in Lebanon. All Syrian prisoners had been accorded full prisoner status, according to the established rules of the Third Geneva Convention. The terrorists, however, could not be given such status, in view of their crimes and their disregard of humanitarian norms. Israel therefore applied to those detainees the humanitarian principles of international law embodied in the provisions of the Fourth Geneva Convention. It should be noted that Israel had authorized representatives of ICRC to visit all Syrian prisoners of war and terrorist detainees.

90. The condemnation in operative paragraph 1 of the draft resolution completely ignored Israel's legitimate right to self-defence, set forth in Article 51 of the Charter of the United Nations. It was well known that the civilian population of northern Israel had been constantly attacked by the PLO terrorists in Lebanon. Because of its duty to protect the lives of its citizens, the Government of Israel had been compelled to take action against the terrorists. It should be remembered that the PLO was a nihilistic organization, epitomizing hatred, war and human suffering.

91. With regard to operative paragraph 3, Israel's position regarding assistance to the Palestinians had been clearly and unequivocally stated in the Third Committee. It was in favour of legitimate forms of assistance to the Palestinian Arabs, and the Government was co-operating fully with the United Nations and other international agencies in implementing programmes of direct benefit to those people. Israel had always sought peaceful co-existence with the Palestinian Arabs and that policy had been clearly enunciated in the Camp David accords, which invited those people to join in the peace process. However, it firmly opposed any form of assistance to or co-operation with the so-called Palestinian Liberation Organization. The PLO denied the Jewish people their right to self-determination and national independence and had never abandoned its goal of violently liquidating the State of Israel. Furthermore, it was the principal agent of the lethal international terrorist network which plagued the civilized world.

92. The PLO had established a State within a State in Lebanon and had eroded Lebanese sovereignty. The draft resolution called for assistance to the Palestinians in Lebanon to be channelled through the PLO, which was responsible for having reduced Lebanon to ruin. In disregarding and therefore undermining the authority of the Lebanese Government, it ran counter to the most fundamental principles of the United Nations. It was imperative for all United Nations organs to avoid jeopardizing the authority and integrity of Lebanon, which was a sovereign State and a Member of the United Nations. It should be noted that Israel had supported the appeal by the Government of Lebanon, on 15 July 1982, calling for an end to Palestinian and other non-Lebanese military presence on Lebanese territory and for the full restoration of Lebanese sovereignty.

93. The delegation of Israel called on all members of the Council to reject the draft resolution, which had been introduced solely for reasons of political expediency. Its adoption would be detrimental to Lebanese sovereignty, would further the cause of war and terrorism, and would obstruct the cause of peace. He appealed to all members of the Council to enhance the status, credibility and effectiveness of the United Nations system by voting against the draft resolution.

94. Mr. SAKER (Observer for the Syrian Arab Republic) said that the observer for Israel had once again repeated that country's customary allegations against the Syrian Arab Republic. Anyone who had listened to the international mass media would be familiar with the lying

Zionist propaganda and Nazi-like practices of Israel, which had occupied Arab territories and brutally invaded neighbouring countries, was carrying out acts of terrorism and had disregarded United Nations resolutions, while claiming that it was seeking peace. He appealed to the international community, to the deluded Israeli people and to Jews elsewhere who were opposed to Zionism to induce the Israeli Government to halt its adventures against Arab countries. It was well known that the Arabs did not object to the presence of any Jew in any Arab country. What they did object to was Israeli colonialism, the expulsion of Arabs from their homeland and exploitation by Jewish capitalists. They rejected the unjust military solutions applied by Israel and called for the establishment of a progressive and democratic society in which Arabs and Jews could live together, as they had done in the past.

95. The international community had condemned Israel for its crimes against the Arab people, particularly in Lebanon, and had applauded the brave stand of Syrians, Palestinians and Lebanese against the Israeli invaders. He called on all States to do everything possible to halt the barbarous massacre of the Palestinian and Lebanese Arab peoples.

96. It was absurd for the Israeli representative to claim that his country was fighting for Lebanese sovereignty. Israel had originally claimed that its intention was to advance 40 km into Lebanese territory in order to protect Upper Galilee from Palestinian resistance attacks. When it had advanced beyond that point, its excuse had been that it had to protect the Middle East and restore Lebanese sovereignty. Public opinion had rejected the claims of Israel, whose troops had murdered countless numbers of innocent people in furtherance of the Tel Aviv expansionists' policy of genocide. Israeli troops were bulldozing the homes of refugees and razing Palestinian refugee camps to the ground. In flagrant violation of international conventions, the occupying forces had even arrested and detained twelve-year-old and thirteen-year-old children. They were also using various weapons prohibited by such conventions.

97. A number of outstanding world personalities had called for the termination of the war in Lebanon and for recognition of the rights of the Palestinian people. A delegation of the Israeli Society for Human Rights had held a press conference in the occupied city of Jerusalem on 12 July 1982, at which it had condemned the penalties imposed on detainees in West Beirut, the Israeli siege of that area, the ill-treatment of prisoners of war in contravention of the Geneva Conventions and the situation in the occupied Arab territories. It had been stated at the press conference that Palestinian wounded in Israeli hospitals had been interrogated and beaten.

98. Israel was daily placing itself outside international law and outside the international community of nations. The only possible course was to expel it from the United Nations.

99. Mr. JAMAL (Qatar) said that the observer for Israel, in speaking of his country's aid to the Lebanese people, had failed to mention the deaths and casualties

that Israel's war machine had inflicted upon the Lebanese and Palestinians. Israel's arguments ran counter to the truth and were intended as usual to divert attention from the real issue. The position adopted by the United States of America in that respect was regrettable and had isolated that country from the international community. Israel's aggression during the past 30 years had been in pursuit of the Zionist policy of expansion—an extension of which was the mass genocide of the Lebanese and Palestinian peoples.

100. Israel was the only country which had consistently and repeatedly disregarded and violated United Nations resolutions. Its representative was the last person qualified to speak of the Palestinians. Israel was occupying Palestine and Lebanon, subjecting the people there to some of the most inhumane conditions in the world. If Israel really wished to help in solving the Palestinians' problems, it should allow them to return to their homeland and treat those in the occupied territories humanely.

101. Mr. JOSEPH (Australia) said that his country maintained its position on the Middle East situation, including its belief that a comprehensive settlement in the region required guarantees for peace and security for all the States there, including Israel, as well as the recognition of the Palestinian people's legitimate rights. It also held, however, that there should be no formal recognition of the PLO so long as it did not explicitly recognize the right of Israel to exist.

102. Australia shared the alarm felt at the continued hostilities in Lebanon and had sought to manifest its concern through financial contributions to the multi-lateral agencies undertaking relief programmes there; Australia had so far provided \$1.6 million for the purpose, and would sympathetically consider further assistance when the findings of the United Nations inter-agency survey became known.

103. The situation in Lebanon was highly complex, and its political aspects should be dealt with in the Security Council and the General Assembly. The Economic and Social Council was not an appropriate forum for that purpose, but it could legitimately consider emergency assistance to all the innocent victims of the fighting. For that reason, his delegation would vote in favour of the draft resolution. It would have preferred the text to refer to humanitarian assistance for all those affected, whether Palestinian or Lebanese. In any event, the assistance efforts should respect Lebanon's sovereignty; operative paragraph 3 of the draft resolution should be interpreted accordingly.

104. Australia regarded the reference, in the text, to the Geneva Conventions relative to the Treatment of Prisoners of War and to the Protection of Civilian Persons in Time of War as important humanitarian elements in the draft resolution.

105. Mr. MAKSIMOV (Byelorussian Soviet Socialist Republic), speaking on behalf of the Soviet delegation, as well as his own, said that the situation in the Middle East continued to give cause for serious concern. An essential

part of the overall political solution was the ending of the intolerable situation in Palestine and the restoration to the Palestinian people of their homeland. All the countries directly concerned, including the Palestinian Arab people through their sole legitimate representative, the PLO, must take part in the settlement, which must be based on the complete withdrawal of Israel's forces from all Arab territories occupied since 1967, including West Jerusalem, the full restoration of the Palestinian Arab people's inalienable rights—including the right to self-determination, sovereignty and an independent existence—and the development of all States of the region.

106. Lebanese and Palestinian blood was still being split in Lebanon by the Israeli war machine, which, with United States support, was bombing and shelling a peaceful population. As was stated in the draft resolution, the Israeli invasion of Lebanon had inflicted severe damage on the civilian population, including the heavy loss of human lives and social and economic structures.

107. His delegation reiterated the position of the socialist countries, expressed by the Soviet delegation in the Third (Programme and Co-ordination) Committee, with regard to the draft resolution and drew the Council's attention to the constructive provisions it embodied, reflecting the position clearly expressed by Mr. Brezhnev, the General Secretary of the Central Committee of the Communist Party of the Soviet Union, and reported in *Pravda*: decades of aggression and armed conflict had shown that military confrontation and separate bargaining could not lead to any settlement of Middle East problems. Only collective efforts, involving all interested parties, including the PLO, as the Palestinian people's sole legitimate representative, could do so and the Soviet Union's proposals for an international conference should be seen in that light.

108. The Byelorussian Soviet Socialist Republic firmly supported Lebanon's right to sovereignty, independence and territorial integrity, and would continue to support the just cause of the Arab peoples against Israeli aggression and imperialism.

109. Mr. BARAKAT (Jordan) said that his delegation, as one of the sponsors of the draft resolution, felt that the text's importance lay in the invitation to the Council to play a serious part in alleviating the situation, by considering ways of assisting the victims of the massacre and the destruction taking place in Lebanon. Tens of thousands had fallen victim to the use of weapons of all types. His delegation appealed to the Council to see the draft resolution as one of the ways to alleviate the sufferings of those victims.

110. The Council itself, of course, could not solve the Middle East problem; other international organizations were competent to do so and it was to be hoped that they would reach a solution.

111. Mr. MORDEN (Canada) said that his country viewed the continuing hostilities in Lebanon, and the human tragedy of death, injury and devastation of property among all the civilian residents, with sadness.

While the complexities of the situation should not be minimized, it would be inappropriate for the Council to dwell on the political aspects, on which the General Assembly and the Security Council had already expressed their views.

112. Lasting stability in the area could only be assured within the framework of a comprehensive Middle East settlement guaranteeing the peace and security of all States in the region, including Israel, and the legitimate rights of the Palestinians. The need for such a negotiated settlement and the compromises required on all sides in order to attain it were rendered all the more urgent by the current unhappy events.

113. Meanwhile, there was a pressing need for emergency assistance to all the innocent victims of the situation in Lebanon, including the Palestinians, and it was the Council's duty to face the problem. His delegation had noted the President's appeal for such assistance. Canada had already responded to multilateral appeals for relief contributions for the Palestinian and Lebanese civilian population and would continue to do so. All assistance to the Palestinians in Lebanon should fully respect that country's sovereignty. United Nations agencies should be enabled to fulfil the vital mission for which they were uniquely qualified as expeditiously as possible. The nature and extent of co-operation with the PLO should be governed by those objectives and should take account of practical requirements.

114. His country called for the full application of the Geneva Conventions, with the protection they afforded to civilians and imprisoned combatants, as being consistent with the Council's humanitarian mandate.

115. His delegation supported the main objectives of the draft resolution under consideration and would vote in its favour, without prejudice to Canada's well-known and long-standing position.

116. Mr. SERGIWA (Libyan Arab Jamahiriya) said that his delegation rejected the allegations by the Zionist entity that the PLO was a terrorist movement. All members of the United Nations knew who the real terrorists were; they were those who denied the Palestinian people their right to self-determination, occupied Palestinian territory and had recently invaded Lebanon, killing thousands of Palestinians and Lebanese, in violation of all principles of human rights and international law. His delegation appealed to the international community to respond to the call expressed in the draft resolution, in order to enable the Palestinian people to rebuild their economy and regain their rights as an independent State; it also urged that the Zionist entity should be expelled from the United Nations.

117. Mr. SENE (Observer for Senegal) said that his delegation endorsed the appeal for humanitarian aid to the Palestinian and Lebanese people. It had sponsored the draft resolution in the conviction that the Council could not remain silent in the face of the situation in Lebanon. The aim of the sponsors had been to express their deep concern at the invasion of that country by Israel and at the daily loss of human life, and to call for

emergency humanitarian assistance and for the application of the Geneva Conventions and the Hague Conventions of 1907.

118. The Middle East situation was totally incompatible with any economic or social development of the area. Israel's denial of economic, political and cultural rights in the occupied territories was a threat to the peace and security of the region and of the world. The Council could not ignore the situation in Lebanon, which had been denounced by all people of conscience. Full respect for that country's sovereignty and territorial integrity must be restored, together with the exercise of the rights of the Palestinian people to self-determination and a peaceful return to their homeland.

119. It was difficult to understand how Israel, whose people had themselves endured so much suffering, could launch into so infernal a cycle of war and destruction and fail to heed the lessons of history. Peoples could not be kept in subjection by military power or force of arms. Israel must at length understand that the forces of history would compel a just solution, based on mutual recognition and respect, which would in turn promote international co-operation. The Middle East was the cradle of a civilization whose prophets had preached universal brotherhood. It was also an area of immense human and material potential that could contribute much to peace and development. His delegation was prepared to participate in any action designed to promote peace and mutual understanding in the area.

120. Mr. HEFNY (Observer for Egypt), associating himself with previous speakers in calling for the Council's support for the draft resolution, of which his delegation was a sponsor, said that a recent report by the World Council of Churches on a mission to Lebanon had stated that there had been many Israeli violations in that country. The mission had expressed its deep concern at the inadequacy of the amounts of food, medicine and other basic supplies being allowed into West Beirut and southern Lebanon at a time when there was urgent need for short-term relief. The mission had added that it did not believe Israel to be acting in the spirit of the Geneva Conventions, since it was failing to take appropriate measures to relieve the sufferings of the civilian population and to protect their rights. The report had further stated that over a thousand Lebanese civilians from Sidon alone had disappeared, having presumably been taken to interrogation centres in Israel, even though they had been cleared of any involvement with the PLO; that the number of people who had disappeared or had been detained, and of whom no official record had been kept, was profoundly disturbing; and that, until independent access to detained Lebanese and Palestinians was permitted, Israel could be considered in breach of the relevant Geneva Conventions.

121. For all those reasons, the draft resolution before the Council deserved all possible support.

122. The PRESIDENT said that he understood that the report of the Secretary-General requested in operative paragraph 6 of the draft resolution was to be submitted to the General Assembly at its thirty-seventh session and to

the Council at its second regular session of 1983. He put the draft resolution to the vote.

The draft resolution was adopted by 48 votes to 1 [resolution 1982/48].

123. Mr. LEIKVANG (Norway) said that his Government had denounced the Israeli invasion of Lebanon in clear terms. The devastation and human suffering in that country was a matter of deep concern to the Norwegian Government and people, and the reports of widespread death and destruction following the Israeli invasion had caused strong reactions in Norway.

124. His country which attached great importance to humanitarian assistance to the victims of the hostilities in Lebanon, had already made substantial contributions to relief efforts, in which it had sought to assist all the victims. It would have preferred the draft resolution to deal with assistance to all victims and not only to one specific population group. It supported the main objective of the resolution and had voted in its favour without prejudice to Norway's well-known and long-standing position on the Middle East conflict and the parties directly involved.

125. Mr. BATH (Brazil) said that his delegation's position with respect to the resolution was clear. He wished to reiterate the solidarity of the Brazilian people with the Lebanese cause.

126. Paragraph 5 of the resolution applied to an exceptional situation of major conflict, in which the Palestinian forces were fighting for their rights as recognized by the General Assembly. The Geneva Convention relative to the Treatment of Prisoners of War applied to regular armed forces; his delegation's position on the resolution just adopted did not prejudge similar situations that might arise in the future and which would be considered on their merits and in the light of the specific circumstances.

127. Mr. LEITENBAUER (Austria) said that his delegation's vote in favour of the draft resolution was a direct consequence of its deep concern about the situation in Lebanon, and in particular the humanitarian situation of the Palestinian civilian population and imprisoned combatants. In his delegation's view, however, the urgently needed assistance to the Palestinian civilian population must form part of the humanitarian assistance to the entire civilian population in its sufferings during the current emergency.

128. Mr. ABU KOASH (Palestine Liberation Organization) said that the presence of the Palestinians outside their homeland was due to their forcible eviction from Palestine in 1948 and 1967 and to the settlement there of Jewish immigrants from various parts of the world. The Palestinians would have had no quarrel with the immigrants in Palestine if they themselves had not been expelled from their homeland. The policies of the current Israeli leadership were the policies of the founders and former leaders of Israel, including Jabotinsky, who had observed that the transfer of European Jews might be a useful expedient but that the establishment of a Jewish majority in Palestine would have to be achieved against

the wishes of the country's existing Arab majority, and that a solid front comprising a Jewish armed force would be required to protect the process of achieving a majority. That had been said in 1925, and the Zionists had since been carrying out such policies.

129. Two ex-Presidents of the World Jewish Congress, together with Mr Mendès France, the former French Prime Minister, had recently joined in condemning Menachem Begin. It was extremely difficult for the Israeli representative to face that fact, since such personalities could not be accused of anti-semitism. The current issue of the *International Herald Tribune* reported that a colonel in charge of one of the Israeli brigades besieging West Beirut had resigned because he felt unable to respond any longer to the orders of Begin and Shamir by continuing to attack West Beirut. The Israeli leadership was determined to apply the final solution to the Palestinian people as the Nazis had done to the Jews and was attempting to create a new Hiroshima in West Beirut. The sufferings of the Palestinian people in occupied Palestine had been well documented by the United Nations and a report on their living conditions was to be transmitted to the General Assembly.

130. The Israeli occupation of Lebanon, which had so far resulted in more than 40,000 Palestinian and Lebanese casualties and the destruction of more than 600,000 homes, 130 Lebanese villages, 14 Palestinian camps and 3 Lebanese towns, reflected the policies of Israel and its interpretation of civilization. The population of Lebanon was daily facing 3,000 shells, and even cluster bombs and chemical and gas weapons. Medicine, food, fuel and electricity supplies had been deliberately cut off from West Beirut by the besieging Israeli army, yet the Israeli representative had tried to convince the Council that Israel's intention was to bring prosperity to Lebanon. There could be no prosperity or progress under occupation. Israel's masters in the United States of America must realize that fact.

131. The United States representative had stated that his country was a former colony that had fought for its freedom. Palestine was among the last colonies in the world and its people, too, were seeking freedom and independence. Reference had been made to terrorism. The acts committed by the Israeli invading army in Lebanon, in the occupied Arab territories and on the Golan Heights were the very essence of terrorism. The observer for Israel was well aware of the records of Begin and Shamir. Israel must realize that its repeated acts of invasion, aggression and war could never achieve peace; only respect for the national rights of the Palestinian people could do so. The aim of the Palestinians was a just peace, but Israel was intransigent in denying them their rights and constantly showed its indifference to calls from the international community—from the Soviet Union, from Western Europe and, in particular, from President Mitterand, whose initiative had been deliberately blocked by the United States to prevent it from reaching the Security Council. The Palestinians were sparing no effort in their search for peace, and it was unfortunate that the United States was continuing its solitary support

for the Israeli aggressors and thus remaining out of step with the rest of the world.

132. Mr. SORZANO (United States of America) said that the United States of America had demonstrated its deep concern over recent events in Lebanon by playing a leading role in international efforts to provide humanitarian assistance to the civilians there, including the Palestinians. The resolution just adopted, however, while apparently concerning humanitarian assistance, actually dealt with political issues which were not properly the Council's concern; thus, the resolution was inappropriate and misguided. In singling out Israel for blame, the resolution disregarded the existence of other parties to the conflict; those who had installed military forces in hospitals, apartments and schools, in violation of the accepted international norms for the conduct of war, could not escape blame for civilian casualties.

133. The United States also objected to the stipulation that United Nations agencies should co-operate with the PLO in providing assistance; that was an attempt to promote an organization for which the status of the Palestinian people's representative was not justified and which should not be dealt with by United Nations agencies. It was also disturbing that the text made no mention of the Lebanese Government or of aid to Lebanese citizens. The United States supported humanitarian assistance for all those in need in Lebanon. It also supported the sovereignty of the Lebanese Government, which was the appropriate body for the channelling of humanitarian aid.

134. During the debate, a number of delegations had declared, with feigned outrage, that the United States vote on the resolution defied world public opinion. The United States required no lessons on translating public opinion into public policy, particularly from representatives of States which traditionally never sought their own peoples' opinions, which had not held elections for generations, or which preferred force as a political instrument.

135. Mr. FONTAINE (Observer for Cuba) said that it was deplorable that the Council's time should have been taken up in hearing a series of cynical statements by the observer for an aggressor such as Israel. That bloodthirsty régime should be expelled from the United Nations and forced to end the systematic crimes which it had been committing against the Palestinian people for so many years.

136. Because of the support given to the Zionist entity by the United States of America, the international community had been unable to secure the observance of the principles of the Charter of the United Nations. It was only through that country's complicity that Israel was able to continue its acts of aggression. The direct responsibility of the United States for the sufferings of the Palestinians had once again been corroborated by that country's solitary vote against the resolution just adopted.

137. The PRESIDENT said that the Council had concluded its consideration of agenda items 22 and 23.

The meeting rose at 6.40 p.m.

49th meeting

Wednesday, 28 July 1982, at 3.40 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.49

AGENDA ITEM 24

Implementation of the medium-term and long-term recovery and rehabilitation programme in the Sudano-Sahelian region

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1982/94)

1. The PRESIDENT invited the Council to consider the report of the Third Committee (E/1982/94). In paragraph 7 of the report, the Committee recommended to the Council the adoption of a draft resolution.

Draft resolution: Implementation of the medium-term and long-term recovery and rehabilitation programme in the Sudano-Sahelian region

The draft resolution was adopted [resolution 1982/49].

2. The PRESIDENT said that the Council had concluded its consideration of agenda item 24.

AGENDA ITEM 4

Special economic, humanitarian and disaster relief assistance (*continued*) (E/1982/L.50)

3. The PRESIDENT drew the Council's attention to the letter dated 23 July 1982 from the Chairman of the Committee of the Whole of ECLA at its fifteenth special session, addressed to the President of the Economic and Social Council (E/1982/L.50). He invited the Council to consider the following draft decision:

"The Economic and Social Council decides to endorse resolution 419 (PLEN.15) of 23 July 1982, adopted by the Committee of the Whole of the Economic Commission for Latin America at its fifteenth special session on international assistance to alleviate the economic and social problems faced by Honduras and Nicaragua as a result of the May 1982 floods, and recommends the General Assembly at its thirty-seventh session also to endorse that resolution."

4. In response to a request by Mr. ZIMMERMANN (Federal Republic of Germany), the PRESIDENT said that consideration of the draft decision would be deferred until the Council's next meeting.

AGENDA ITEM 7

Revitalization of the Economic and Social Council (*concluded*) (E/1982/L.48)

5. The PRESIDENT said that it had been agreed during informal consultations that the word "shall" after the words "the Council" in operative paragraph 1 (d) of draft resolution E/1982/L.48 should be replaced by the word "may", and that the word "appropriate" should be added before the words "conclusions and recommendations" in the same subparagraph, which would then read:

"As part of its annual general discussion of international economic and social policy, including regional and sectoral developments, the Council may formulate appropriate conclusions and recommendations thereon addressed to the General Assembly, States Members of the United Nations and organs, organizations and bodies of the United Nations system concerned;"

6. In the light of that revision, the United States representative had agreed to withdraw his delegation's amendments.

Draft resolution E/1982/L.48, as amended, was adopted [resolution 1982/50].

7. The PRESIDENT expressed appreciation to all concerned for their efforts, spirit of compromise and determination to launch the first essential step towards the revitalization of the Economic and Social Council, to enable it to perform its tasks effectively under the Charter of the United Nations. The resolution just adopted was the result of extensive formal and informal consultations. Some delegations would have liked to adopt more far-reaching measures; while the resolution was the maximum that could have been adopted at the current session, it represented the minimum that should be adopted.

8. Mr. SEVAN (Secretary of the Council) suggested that, at its first regular session of 1983, the Council should again follow the practice of holding meetings of the plenary and of only one Committee, as it had done at its first regular session of 1982, bearing in mind that that procedure had resulted in savings of the order of \$254,000.

9. Referring to paragraph 1 (k) of the resolution just adopted, he said that the Secretariat was endeavouring to make some readjustments in the calendar for the current biennium, to enable the Council to meet in May 1983. It was facing some difficulties with respect to the re-scheduling of the meetings of the UNICEF Executive Board, with which a session of the Council at that time would coincide. The Secretariat hoped to be able to inform delegations at the forthcoming resumed session whether it would be possible for the Council to hold its first regular session of 1983 in May of that year. In any

event, the decision in paragraph 1 (k) of the resolution would become effective in 1984 at the latest.

10. Mr. POPOV (Bulgaria), speaking on behalf of his own delegation and of the delegations of the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian Soviet Socialist Republic, and the Union of Soviet Socialist Republics, said that the socialist countries, which shared the general concern to enhance the effectiveness of the Council's work, considered that the opportunities provided by Article 55 of the Charter of the United Nations for multilateral in-depth discussion on international economic problems had by no means been exhausted. In endeavouring to revitalize the Council's activities and to enhance its role in the United Nations system and the effectiveness of its working methods, full use should be made of the existing opportunities afforded by the Charter, and there should be no attempt to revise the Charter or existing organizational structures. The success of the work of any United Nations body depended primarily on the political will of participating countries. If countries changed their attitude towards the Council, as the fundamental body on which the main responsibility for the economic and social activities of the entire United Nations system rested, the effectiveness of its work would be enhanced and its role as defined by the Charter would be restored. Any decision to change its membership, and thus to revise the Charter, as a pretext for revitalizing the Council's activities, would be totally unacceptable to the socialist delegations.

11. Mr. RIPERT (Director-General for Development and International Economic Co-operation) said that the resolution just adopted would mark an important stage in strengthening the Council's capacity to exercise its functions as defined by the Charter of the United Nations.

12. Reaffirming the Secretary-General's determination to assist the Council in applying the provisions of the resolution, he said that concerted efforts by government representatives and the Secretariat would be needed if the Council was to fulfil its role. The resolution gave directives on various activities to be undertaken by the Secretariat, with particular respect to preparations for meetings of the Council and its subsidiary bodies.

13. The Secretariat intended to continue its efforts to improve the distribution of documents and reduce their volume, while maintaining and improving their quality. It welcomed the wide-ranging consultations that had taken place between the Council and the various secretariats of the United Nations system on problems of mutual concern. He commended the President's commitment to the Council's revitalization and his efforts to improve the quality of its work. The substantial work already carried out by the Council in certain areas had been performed so thoroughly that no further steps would need to be taken by the General Assembly in those areas.

14. Mr. SEVAN (Secretary of the Council) recalled that the Council had decided (30th meeting) that the question of rescheduling the sessions of the Commission on Human Rights should be considered in the context of the revitalization of the Council. In the light of the difficulties

experienced so far in efforts to schedule the meetings of the Council for 1983, he suggested that the question of rescheduling the sessions of the Commission on Human Rights should be considered at the second regular session of the Council of 1983, when the draft calendar proposed by the Secretary-General for the forthcoming biennium came up for consideration.

It was so decided [decision 1982/156].

15. The PRESIDENT said that the Council had completed its consideration of agenda item 7.

AGENDA ITEM 19

Operational activities

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1982/90)

16. The PRESIDENT invited the Council to consider part one of the report of the Third Committee on the item (E/1982/90). In paragraphs 13 and 14 of the report, the Committee recommended to the Council the adoption of one draft resolution and three draft decisions, all of which had been adopted by the Committee without a vote.

Draft resolution: Report of the Executive Board of the United Nations Children's Fund

The draft resolution was adopted [resolution 1982/51].

Draft decision I: Report of the Administrator of the United Nations Development Programme on the United Nations Volunteers programme.

The draft decision was adopted [decision 1982/157].

Draft decision II: Report of the Administrator of the United Nations Development Programme on the United Nations Revolving Fund for Natural Resources Exploration

The draft decision was adopted [decision 1982/158].

Draft decision III: Report of the Administrator of the United Nations Development Programme on the role of qualified national personnel in the social and economic development of developing countries

The draft decision was adopted [decision 1982/159].

17. The PRESIDENT said that the Council had completed its consideration of part one of the report of the Third Committee on agenda item 19.

AGENDA ITEM 20

International co-operation and co-ordination within the United Nations system

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1982/91)

18. The PRESIDENT invited the Council to consider the report of the Third Committee (E/1982/91). In paragraphs 31 and 32 of the report, the Committee recommended to the Council the adoption of one draft

resolution and nine draft decisions, which had all been adopted by the Committee without a vote.

Draft resolution: Second Intergovernmental Conference on Strategies and Policies for Informatics

19. Mr. SEVAN (Secretary of the Council) said that the word "proposed", in the last preambular paragraph of the draft resolution, should be replaced by the word "postponed".

The draft resolution, as amended, was adopted [resolution 1982/52].

20. Mr. DIENE (United Nations Educational, Scientific and Cultural Organization) said that the Council was aware of the importance UNESCO attached to the role of informatics for development both by reason of its mandate and because of its conviction that so fundamental a question should be dealt with in such a way as to promote broad, effective and long-term co-operation. He therefore wished to reiterate the statement he had made in the Third Committee following its approval of the draft resolution.

21. In adopting the draft resolution contained in paragraph 31 of the Committee's report, the Council had taken steps to ensure continuity between Council resolutions 1978/43, 1979/73 and 1981/52, and had thus assumed its primordial role of providing the necessary conditions for effective co-operation and co-ordination in major economic and social questions among Member States and competent international organizations.

22. The role of informatics for development was an essential question for all concerned. UNESCO therefore welcomed the resolution on the Second Intergovernmental Conference on Strategies and Policies for Informatics. The resolution would be submitted to its governing bodies, which alone were empowered to decide on the objectives, dates and venues of international conferences organized by UNESCO, alone or jointly with other intergovernmental organizations. UNESCO would continue its consultations with the Intergovernmental Bureau for Informatics.

23. He expressed his appreciation to the observer for Cuba, who had consulted UNESCO when preparing the draft resolution.

Draft decision I: Report of the Committee for Programme and Co-ordination on the work of its twenty-second session

The draft decision was adopted [decision 1982/160].

Draft decision II: Annual overview report of the Administrative Committee on Co-ordination for 1981/82

The draft decision was adopted [decision 1982/161].

Draft decision III: Report of the Administrative Committee on Co-ordination on measures to ensure a system-wide approach in the field of energy

The draft decision was adopted [decision 1982/162].

Draft decision IV: Report of the Secretary-General of the International Telecommunication Union on the preparations for the World Communications Year: Development of Communications Infrastructures

The draft decision was adopted [decision 1982/163].

Draft decision V: Report of the Secretary-General on co-operation between the United Nations and the Agency for Cultural and Technical Co-operation

The draft decision was adopted [decision 1982/164].

Draft decision VI: Report of the Secretary-General on the work of the Office of the United Nations Disaster Relief Co-ordinator

The draft decision was adopted [decision 1982/165].

Draft decision VII: Report of the Administrative Committee on Co-ordination on the strengthening of the co-ordination of information systems in the United Nations system

24. Mr. SEVAN (Secretary of the Council) said that, in view of some of the technical difficulties encountered in following the procedures recommended in draft decision VII, and bearing in mind that the situation would become more difficult in the General Assembly, the Council might wish to amend the draft decision to read:

"The Economic and Social Council decides to consider the report of the Administrative Committee on co-ordination on the strengthening of the co-ordination of information systems in the United Nations system (E/1982/85) at its resumed second regular session of 1982".

25. The Council might further wish to postpone action on the proposed revision until its next meeting, to give delegations time to consider the suggestion.

It was so agreed.

Draft decision VIII: Report of the Chairmen of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination on the Joint meetings of the two Committees

The draft decision was adopted [decision 1982/166].

Draft decision IX: Report of the Administrative Committee on Co-ordination on expenditures of the United Nations System in relation to programmes

The draft decision was adopted [decision 1982/167].

The meeting rose at 4.15 p.m.

50th meeting

Thursday, 29 July 1982, at 3.35 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.50

AGENDA ITEM 4

Special economic, humanitarian and disaster relief assistance (concluded) (E/1982/L.50)

1. The PRESIDENT said that, if there was no objection, he would take it that the Council endorsed resolution 419 (PLEN.15), of the Committee of the Whole of ECLA, on international assistance to alleviate the economic and social problems faced by Honduras and Nicaragua as a result of the May 1982 floods, reproduced in the annex to document E/1982/L.50, and that it recommended its endorsement by the General Assembly.

It was so decided [decision 1982/168].

2. Mr. MILLER (United States of America), referring to paragraph 8 of the resolution, said that the United States of America already applied a policy of access to its markets on non-reciprocal terms, under GATT. Moreover, the United States Administration was preparing, for consideration by Congress, an expanded programme relating to such facilities for countries of the Caribbean Basin. His delegation therefore thought it premature to refer to non-reciprocal access at the present time.

3. Mr. VEGA (Nicaragua) said that his delegation thanked the countries which had shown a spirit of solidarity with regard to the economic and social problems caused by the floods in Honduras and Nicaragua. ECLA resolution 419 (PLEN.15) expressed an appeal for help to alleviate a grave economic crisis. As was clear from the text, no attempt had been made to place countries under any obligation; it lay with each country to decide on the extent of its co-operation and his delegation thanked in anticipation those States which decided to help the two afflicted countries.

4. The PRESIDENT noted that the Council had thus concluded its consideration of agenda item 4.

AGENDA ITEM 18

New and renewable sources of energy: implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/106)

5. The PRESIDENT drew attention to the report of the First Committee (E/1982/106). In paragraph 6 of the

report, the Committee had recommended to the Council the adoption of a draft decision.

Draft decision: Report of the Interim Committee on New and Renewable Sources of Energy

The draft decision was adopted [decision 1982/169].

6. Mr. SMITH (United States of America) said that the United Nations Conference on New and Renewable Sources of Energy, held at Nairobi, had recognized that individual countries had the main responsibility for implementing the Nairobi Programme of Action—which was as it should be, although bilateral programmes and private investment also had a vital role to play. Although the bulk of resources for the purpose would stem from national, bilateral and private efforts, the United Nations system too would have an important role and it was disappointing that the informal consultations had not resolved the differences about how that system could best be adapted to facilitate the smooth transition from traditional to new and renewable sources of energy. Those institutional questions had not been resolved either at Nairobi, or at the General Assembly's thirty-sixth session, or at Rome or Geneva; yet there were simple and obvious solutions which could have been agreed upon, if all delegations had shown the requisite political will.

7. The United Nations system already had an institutional framework adequate for co-ordinating efforts to promote new and renewable sources of energy. The Committee on Natural Resources had a mandate which included dealing with such sources and which could be made more explicit if necessary. The Committee could be made open to all when the topic was being discussed, and the possibility of that Committee meeting annually, as some delegations thought it should, could be discussed by the General Assembly at its thirty-eighth session, after the Committee's 1983 session.

8. The United Nations had a significant complement of professional staff already at work on new and renewable sources of energy; with effective reprogramming, additional resources could be made available without any net growth in the United Nations system as a whole. His delegation hoped that, at the General Assembly's thirty-seventh session, all delegations would show due flexibility in assigning the subject to the Committee on Natural Resources, with appropriate changes in the latter's mandate, thus enabling the United Nations system to play its proper role in that important field.

9. The PRESIDENT noted that the Council had thus concluded its consideration of agenda item 18.

AGENDA ITEM 20**International co-operation and co-ordination within the United Nations System (concluded)**

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1982/91)

10. The PRESIDENT reminded the Council that, at its 49th meeting, a proposal had been made to replace the text of draft decision VII in paragraph 32 of the report of the Third Committee (E/1982/91) by the following:

“The Economic and Social Council decides to consider the report of the Administrative Committee on Co-ordination on the strengthening of the co-ordination of information systems in the United Nations system (E/1982/85) at its resumed second regular session of 1982”.

11. If there was no objection, he would take it that the Council adopted draft decision VII, as amended.

The draft decision, as amended, was adopted [decision 1982/170].

12. The PRESIDENT noted that further consideration of agenda item 20 was thus deferred until the Council's resumed second regular session of 1982.

AGENDA ITEM 19**Operational activities (concluded)**

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1982/90/Add.1)

13. The PRESIDENT drew attention to the draft resolution in paragraph 10 of part two of the report of the Third Committee on the item (E/1982/90/Add.1). The text had been adopted by the Committee without a vote.

Draft resolution: Report of the Governing Council of the United Nations Development Programme

14. Mr. POPOV (Bulgaria) said that the member and observer delegations of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics had not objected to the Committee's adoption of the text without a vote. However, the socialist States of Eastern Europe vigorously protested against the Governing Council's decision referred to in operative paragraph 8 of the draft resolution. The decision, which would lead to a system of fixed or compulsory contributions instead of a voluntary system, was contrary to UNDP principles and might well lead to the collapse of that body. They reiterated the reservations expressed with regard to the intersessional committee and its terms of reference and recalled their statements on the subject during the Council's current session and the UNDP Governing Council's twenty-ninth session. They also stressed the need to extend UNDP and UNICEF assistance to the People's Republic of Kampuchea and to

refrain from discrimination against Viet Nam and Argentina in regard to the programmes of assistance.

The draft resolution was adopted [resolution 1982/53].

15. The PRESIDENT noted that the Council had concluded its consideration of agenda item 19.

AGENDA ITEM 12**Special measures for the social and economic development of Africa in the 1980s**

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/99)

16. The PRESIDENT invited the Council to consider the report of the First Committee (E/1982/99). In paragraph 6 of the report, the Committee recommended to the Council the adoption of a draft decision.

Draft decision: Report of the Secretary-General containing suggestions by non-governmental organizations regarding the implementation of the Lagos Plan of Action

The draft decision was adopted [decision 1982/171].

17. The PRESIDENT noted that the Council had thus concluded its consideration of agenda item 12.

AGENDA ITEM 3**General discussion of international economic and social policy, including regional and sectoral developments (continued)* (E/1982/L.46, E/1982/L.47 and E/1982/L.51)**

18. Following a brief statement by Mr. KAMANDA WA KAMANDA (Zaire) on draft resolutions E/1982/L.46 on protection against harmful or potentially harmful products and E/1982/L.47 on long-term trends in world economic and social development, the PRESIDENT said that the Council would consider draft resolution E/1982/L.46 at its next meeting, after further informal consultations.

19. With regard to draft resolution E/1982/L.47, because of outstanding disagreement between the sponsors and the member States of the European Economic Community relating to operative paragraphs 3 and 5, the sponsors had suggested that the text should be withdrawn and submitted to the General Assembly for consideration at its forthcoming session.

It was so decided [decision 1982/172].

20. Mr. TER HORST (Venezuela), introducing draft resolution E/1982/L.51 on economic measures as means of political and economic coercion against developing countries, said that the problem dealt with in the text was as old as the struggle to uphold justice against arbitrary actions by the strong against the weak. Imperialism and colonialism, imposed by force, had been condemned by

* Resumed from the 48th meeting

the General Assembly as contrary to the Charter of the United Nations. The developing countries knew only too well the effects of such domination. In particular, the Latin American countries, most of which had been independent for over 150 years, had long been exposed to economic pressure against the exercise of their sovereignty. At the beginning of the twentieth century, Venezuela had been subjected to a blockade by three European Powers and attacks on its main ports—a humiliation hard to forget. The events had led to the establishment of the Drago doctrine, named after its chief author, the Argentine Minister for Foreign Affairs at the time, to the effect that a country's debts could not be recovered by force—a legal principle now universally accepted.

21. There was an obvious tendency on the part of some developed countries to adopt economic measures in pursuit of political aims, contrary to the interests and sovereign rights of developing countries—a policy known as neo-colonialism. The solidarity shown by the developed nations in such measures was worthy of better causes and its alarming consequences for the future of the civilized world could not be ignored by the international community.

22. The Fourth Conference of Heads of State or Government of Non-Aligned Countries held at Algiers in 1973, had adopted a resolution on economic security and collective action, strongly condemning such practices and stating that such economic coercion created a state of imbalance which threatened international peace and security. Moreover, article 32 of the Charter of Economic Rights and Duties of States provided that no State might use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights. The Ministerial Meeting of the Co-ordinating Bureau of the Non-Aligned Countries, held in May-June 1982 at Havana, had reiterated the right of non-aligned and other developing countries to rid themselves of any form of domination and had rejected all forms of economic aggression, coercion or blackmail against developing countries.

23. Developed countries were using their dominant position in the world economy to impose measures such as total blockades, boycotts, import and export prohibitions, the freezing of funds, credit restrictions and the prevention of technology transfer—actions contrary to the Charter of Economic Rights and Duties of States. Such measures were neither ethically nor legally justifiable. The Council, the competent forum for economic affairs, should therefore seek ways of eradicating all forms of economic aggression against developing countries and ensuring respect for the Charter of Economic Rights and Duties of States.

24. Draft resolution E/1982/L.51 was designed to express the international community's condemnation of economic coercion for political purposes as contrary to the provisions of the Charter of the United Nations and other international instruments of a regional and multi-lateral nature. If adopted, it would help to solve the

problem, since it urged the developed countries to refrain from such measures; but if that appeal was not heeded, the developing countries would have to act together in order to expand the United Nations system of security so as to embrace economic security, which was essential for the progress and well-being of the developing countries.

25. The draft resolution distinguished clearly between measures adopted by developed countries for the purpose of interfering in the exercise by the developing countries of their sovereign rights, and those sanctions which it was proper to adopt, pursuant to the Charter, against all forms of colonialism, neo-colonialism, racism, *apartheid* and foreign aggression and occupation, which were serious obstacles to the developing countries' emancipation and economic progress.

26. Mr. St. AIMEE (Saint Lucia) said that the text of the draft resolution, which had appeared somewhat late in the Council's session, would seriously divide the Council. While that was sometimes unavoidable, any issue likely to give rise to divisiveness should not be raised without the most careful consideration. The text opened up fundamental political issues which required careful consideration by Governments and, as far as his delegation was concerned, by regional institutions, to which his country attached great importance in matters of policy that might affect the region.

27. It could be a good starting point in the process of the revitalization of the Council to ensure that resolutions and decisions adopted by the Council could be respected by all countries. That could be brought about only if the texts were given the utmost consideration before decisions were taken.

28. It would be premature to expect the Council to take a decision on draft resolution E/1982/L.51. His delegation thought that that view was widely shared and that for the Council to refrain from taking a decision would not prejudice the position of the sponsors or of delegations which had difficulty with the text.

29. He therefore proposed, under rule 67 (2) of the Council's rules of procedure, that no decision should be taken on the draft resolution and he requested that a vote should be taken on the motion.

30. Mr. REPSDORPH (Denmark), speaking on behalf of the States members of the European Economic Community, said that the Community favoured a constructive dialogue between developing and developed countries on economic and social questions and strongly believed in the continuation and development of that dialogue, which should be pursued on a sound and businesslike basis in the mutual interest of all parties. The draft resolution before the Council failed to serve that purpose.

31. The Community, which wished to see an effective Economic and Social Council concentrating on practical questions, did not feel that the Council's work could usefully be served by the introduction of a draft resolution that confused a number of generally accepted principles, including the principle of self-determination, with

discriminatory proposals on delicate issues of fundamental importance.

32. The ten States members of the European Economic Community considered that the adoption of the draft resolution, which sought to introduce an artificial and regrettable division between developing and industrialized countries, could have a negative influence on the Council's work and the general climate of the North-South dialogue. The Council should therefore refrain from taking any action on the draft resolution. The Community fully supported the Saint Lucian motion to that effect. He appealed to other members of the Council to vote in favour of the motion.

33. Mr. TER HORST (Venezuela), referring to the Saint Lucian representative's comment that the draft resolution had been introduced at a late stage in the Council's session, said that the text had, in fact, been under informal discussion for some time and the 24-hour rule had been fully complied with.

34. The Danish representative had complained that the draft resolution was unconstructive. The economic measures recently adopted by the European Economic Community against Argentina had exerted a far more negative influence on international co-operation than the draft resolution could possibly do.

35. His delegation called for a roll-call vote on the Saint Lucian motion, which the sponsors of draft resolution E/1982/L.51 would oppose.

36. Mr. MARTINEZ (Argentina), speaking in explanation of vote before the vote, said that the reasons for the Saint Lucian motion were vastly different from the reasons advanced by the Danish representative for the European Economic Community's opposition to the draft resolution. The objective of the Saint Lucian motion had been to allow the Council to give fuller consideration to the draft resolution, whereas the Danish representative's objections had been directed at the content of the resolution itself.

37. A vote in favour of the Saint Lucian motion would create considerable confusion as between delegations supporting the motion for the reasons explained by the Saint Lucian representative, and delegations, such as those of the European Economic Community, which were opposed to the draft resolution itself. He therefore appealed to the representative of Saint Lucia to withdraw his motion.

At the request of the representative of Venezuela, a vote was taken by roll-call on the motion proposed by Saint Lucia.

The Federal Republic of Germany, having been drawn by lot by the President, was called upon to vote first.

In favour: Australia, Austria, Bahamas, Belgium, Canada, Denmark, France, Germany, Federal Republic of Greece, Italy, Japan, Kenya, Malawi, Nepal, Norway, Portugal, Saint Lucia, Swaziland, United Kingdom of Great Britain and Northern Ireland, United States of America.

Against: Argentina, Benin, Brazil, Bulgaria, Byelorussian Soviet Socialist Republic, Chile, Colombia,

Ethiopia, Iraq, Libyan Arab Jamahiriya, Mexico, Nicaragua, Peru, Poland, Romania, Tunisia, Union of Soviet Socialist Republics, Venezuela.

Abstaining: Bangladesh, Burundi, China, India, Jordan, Liberia, Mali, Nigeria, Pakistan, Qatar, Sudan, Thailand, United Republic of Cameroon, Yugoslavia, Zaire.

The motion proposed by Saint Lucia was adopted by 20 votes to 18, with 15 abstentions.

38. Mr. TER HORST (Venezuela) said that the sponsors of draft resolution E/1982/L.51 regretted that the Council had adopted the Saint Lucian proposal. The closeness of the vote indicated that, if it had been put to the vote, the draft resolution would have commanded a clear majority. The sponsors intended to raise the issue again in the General Assembly.

39. Mr. POPOV (Bulgaria), speaking on behalf of the delegations of Bulgaria, the Byelorussian SSR, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian SSR and the Union of Soviet Socialist Republics, said that they would have supported draft resolution E/1982/L.51, since they had always opposed any manifestation of the policy of discrimination in international economic relations and any attempts by imperialist Powers to use illegal measures such as embargoes and economic blockades to exert political pressure on developing and socialist countries. Such activities were contrary to the letter and spirit of the Charter of the United Nations, the Charter of Economic Rights and Duties of States, and the Declaration and the Programme of Action on the Establishment of a New International Economic Order. Furthermore, they constituted obstacles to the economic development of developing countries and peoples. The draft resolution had rightly emphasized the fact that those illegal measures had nothing to do with the measures which were provided for in the Charter of the United Nations and were taken by the international community against countries pursuing a policy of aggression, genocide and *apartheid*.

40. The representatives of the capitalist countries, which bore full responsibility for the application of illegal economic measures and sanctions against developing and socialist countries had succeeded in preventing the adoption of the draft resolution by using methods similar to those condemned in the text. The socialist delegations objected to the attempts made to use such methods in the Economic and Social Council. They had reason to believe that some of the representatives who had voted in favour of the motion or had abstained in the vote had done so with great misgivings.

41. The socialist delegations considered that the adoption of the draft resolution by the Council would have constituted a significant contribution to the restructuring of international economic relations on democratic bases, the beginning of which had been the adoption of the Charter of Economic Rights and Duties of States and of the Declaration and the Programme of Action on the Establishment of a New International Economic Order.

42. Mr. St. AIMEE (Saint Lucia), speaking in exercise of the right of reply, said that he thought that his colleagues, the representatives of Argentina and Venezuela, had understood his delegation's motives and concerns in proposing that draft resolution E/1982/L.51 should not be discussed. He rejected entirely the suggestion by the representative of Bulgaria that the proposal had been made under pressure. The Government and people of Saint Lucia would never compromise the country's sovereignty in any way. His delegation's record in the General Assembly and elsewhere would attest to that commitment to national sovereignty.

43. Mr. POPOV (Bulgaria) said that he had nothing to add to his previous statement on behalf of the socialist countries of Eastern Europe. What had occurred in the Council was known to all delegations, including that of Saint Lucia.

AGENDA ITEM 11

Transport and Communications Decade in Africa

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/98)

44. The PRESIDENT drew attention to the draft resolution in paragraph 10 of the report of the First Committee (E/1982/98). The Committee had adopted it without a vote. If he heard no objection, he would take it that the Council also wished to adopt the draft resolution without a vote.

Draft resolution: Transport and Communications Decade in Africa

The draft decision was adopted [resolution 1982/54].

45. Mr. SPASSOV (Bulgaria), speaking on behalf of the delegations of Bulgaria, the Byelorussian SSR, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian SSR and the Union of Soviet Socialist Republics, said that they had not objected to the adoption of the resolution without a vote, since they understood the problems facing Africa in the field of social and economic development. Their countries provided African States with assistance in the solution of those problems and co-operated with them in many fields, including those of transport and communications. As was known, the socialist countries had supported the proposal concerning the programme for the Transport and Communications Decade in Africa and had always been in favour of the careful preparation and effective implementation of all programmes within the framework of the Decade, with a view to ensuring that it helped to create on the continent the infrastructure necessary for the independent economic development of African States.

46. The socialist delegations considered that the measures provided for within the framework of the Decade should be implemented within existing resources, including extra-budgetary funds, without an increase in the regular budget of the United Nations. He was

referring, in particular, to the financing of the fifth consultative technical meeting. In the opinion of those delegations, the amount of \$123,000 requested by the Secretariat for that meeting was quite substantial, particularly in view of the fact that only \$250,000 had been allocated for the first four meetings. Unsatisfactory working methods had made it necessary for the Secretariat to request private firms to prepare the necessary documentation; thus, the expenditure on documentation had been considerably higher than planned.

47. The socialist delegations opposed the practice of resorting to expensive private firms for the preparation of measures financed from the regular budget of the United Nations. The Secretariat had a large number of specialists and should make the maximum use of resources existing within the United Nations. The socialist delegations would be guided by those considerations in examining the question in the Second and Fifth Committees of the General Assembly at its thirty-seventh session.

48. Their support for the resolution in question did not pre-judge their position with regard to any measures which might be included in the plan of action for the second phase of the Decade.

49. The PRESIDENT announced that the Council had thus concluded its consideration of agenda item 11.

AGENDA ITEM 15

International co-operation on the environment

REPORT OF THE FIRST (ECONOMIC) COMMITTEE
(E/1982/103)

50. The PRESIDENT drew attention to the two draft resolutions in paragraph 11 of the report of the First Committee (E/1982/103), both of which had been adopted by the Committee without a vote.

51. If he heard no objection, he would take it that the Council also wished to adopt both the draft resolutions without a vote.

Draft resolution I: Implementation in the Sudano-Sahelian region of the Plan of Action to Combat Desertification

The draft resolution was adopted [resolution 1982/55].

Draft resolution II: International co-operation on the environment

The draft resolution was adopted [resolution 1982/56].

52. Mr. BATH (Brazil) said that his delegation had joined the consensus on draft resolution II. He wished to emphasize, however, that the views expressed by his delegation at the tenth session of the Governing Council of UNEP in connection with section II of decision 10/14 of the Governing Council, concerning tropical forests, remained unchanged and that his Government continued to dissociate itself from the activities of UNEP relating to tropical forests.

53. The PRESIDENT announced that the Council had thus concluded its consideration of agenda item 15.

AGENDA ITEM 21

Proposed medium-term plan

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1982/92)

54. The PRESIDENT drew attention to the draft decision in paragraph 6 of the report of the Third Committee (E/1982/92). If he heard no objection, he would take it that the Council wished to adopt the draft decision.

Draft decision: Proposed medium-term plan for the period 1984-1989

The draft decision was adopted [decision 1982/173].

55. Mr. PASKALEV (Bulgaria), speaking on behalf of the delegations of Bulgaria, the Byelorussian SSR, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian SSR and the Union of Soviet Socialist Republics, said that they had supported the draft decision in the conviction that the medium-term plan for 1984-1989 as a whole correctly identified the basic priorities of United Nations activities and took due account of the fundamental objective of the Organization. In their opinion, the plan adequately reflected activities in the field of decolonization, primarily decolonization in Southern Africa.

56. The socialist delegations also supported the socio-economic sections of the medium-term plan, in particular the provisions concerning the continuation of activities aimed at implementing the decisions of the General Assembly and the Economic and Social Council relating to the restructuring of international economic relations on a just and democratic basis, the establishment of a new international economic order, the sovereignty of all States over their natural resources and elimination of the negative effects of the activities of transnational corporations in developing countries.

57. The delegations on whose behalf he was speaking reserved their position on certain questions and maintained the reservations expressed by the representatives of their countries at the twenty-second session of CPC. In particular, they considered it unjust to include a separate chapter on energy in the proposed medium-term plan. Energy problems had always been considered in the United Nations in the context of problems concerning the development of other natural resources and they saw no basis whatever for a change in that practice. The inclusion of a separate chapter on energy should not serve as a pretext for the establishment of a new body or a subdivision of the Secretariat within the United Nations system. The delegations also reaffirmed their negative attitude towards attempts to use new types of activities, reflected in the medium-term plan, for the penetration of private foreign capital in the developing countries to the detriment of the national interests of those countries. They also considered that the proposed medium-term plan did not exhaust all possibilities for avoiding duplication.

58. No agreement had been reached at the twenty-second session of CPC or at the current session of the Council concerning chapter 16, programme 5, and chapter 21, programme 1, subprogramme 5, owing to the fact that some Western States had blocked the adoption of those programmes, attempting to dispute the decisions of UNCTAD concerning activities in the field of East-West trade and the decisions of the World Conference of the United Nations Decade for Women: Equality, Development and Peace, held at Copenhagen in 1980. The socialist delegations held that the programmes were fully in keeping with the decisions of the inter-governmental bodies concerning United Nations activities in the fields in question and they opposed any attempts to change the text. They would be guided by those views in the consideration of the proposed medium-term plan at the thirty-seventh session of the General Assembly.

59. In conclusion, the socialist delegations wished to point out that the medium-term plan related only to programme planning and that none of its provisions could serve as a pretext for requesting additional resources. They maintained the view that, in the process of implementing the plan, the principle of "zero growth" in the regular budget of the United Nations should be strictly respected.

60. Mr. BAHADIAN (Brazil) said that his delegation had accepted the consensus in favour of decision 1982/173 just taken on the medium-term plan for the period 1984-1989. He wished, however, to enter a reservation, in regard to both the process whereby the plan was approved and its content.

61. The first reservation concerned the procedure by which the Council examined the medium-term plan. The plan demanded the most careful scrutiny. It was of course the responsibility of CPC to make an initial examination and to append its comments and corrections to the plan. The Council, however, as the organ for co-ordinating the economic and social system of the United Nations, could not limit itself to simply passing on the recommendations of CPC and trying to find solutions for the few problems that that Committee had not settled. It was in that spirit that the Council had adopted paragraph 1(e) of resolution 1982/50 on the revitalization of the Economic and Social Council.

62. Regarding the content of the plan, his delegation had asked the Council to give special consideration to certain chapters. Unfortunately, the Council had not acceded to that request, and some delegations had said that the appropriate forum for the discussion of those matters was CPC, of which Brazil was a member. His delegation did not agree. The medium-term plan should go through a triple process of consideration, within which the examination by the Council was certainly the most important, both because of its political composition, which was wider than that of CPC, and because of the more formal character of its recommendations to the General Assembly.

63. His delegation had played an active part in the work of CPC, but the fact that it had participated did not mean

that it was not in favour of a close inspection of the results of that work. It had therefore hoped that the Council would review certain parts of the medium-term plan with which his delegation was not entirely satisfied. The Council's refusal compelled it to ask for the following comments to be recorded.

64. The first of his delegation's difficulties in regard to the content of the medium-term plan related to chapter 6. It regretted that the general orientation recommended by the Commission on Human Rights and emphasized by his delegation at the Commission's twenty-seventh session had not been properly reflected in the plan. Some corrections had been made in the chapter at the Committee level, but his delegation wished to reiterate its objection to paragraphs 6.6 and 6.9, which provided for a possibility of unilateral action by the Secretariat without a specific intergovernmental mandate. The same applied to the publications referred to in paragraph 6.35; his delegation considered that all publications should first be authorized by the Commission. Lastly, paragraph 6.41 referred to certain studies which his delegation regarded as pointless, on the grounds that similar studies were already in existence. The repetition of those studies would have a negative impact on the United Nations budget.

65. In paragraphs 10.13-b and 10.30 of chapter 10 of the medium-term plan, there was a reference to certain concepts connected with developing countries which the Brazilian delegation had rejected during the CPC session. It had been assured that the final version of the chapter would take its comments into account. Lastly, again in connection with chapter 10, his delegation regretted that 67 professional posts had been allocated to programme 1 at the expense of programme 2, on technical co-operation for development, which was to have only 19 professional posts.

66. The delegation had other comments to make on chapters 3, 7, 8, 14, 18 and 19, which it would not put forward for the time being. It would revert to those points and to others, if it thought necessary, during the final examination of the medium-term plan by the General Assembly.

67. Mr. REPSDORPH (Denmark), speaking on behalf of the members of the European Economic Community, said that they welcomed the achievement of the Working Group on the Medium-term Plan in resolving the many difficulties that had arisen in regard to the chapters on UNCTAD and UNIDO. Agreement had been reached on all UNCTAD programmes except one. He wished to reiterate, however, the Community's position, as expressed on many occasions in the Trade and Development Board and in the UNCTAD Working Party on the Medium-term Plan and the Programme Budget, that it was not appropriate for UNCTAD to discuss matters of East-West trade in the context of its programme on trade among countries having different social and economic systems. Those questions had been, and should continue to be, handled by ECE. Paragraphs 16.69, 16.70 and 16.74 of the medium-term plan should be redrafted accordingly.

68. Mr. MILLER (United States of America) said that the Council's adoption by consensus of a decision recommending to the General Assembly an agreed set of amendments to all but two small parts of the medium-term plan was a tribute to the spirit of compromise that had been shown by all concerned.

69. With regard to chapter 15 of the medium-term plan, he said that the United States of America supported the principal role of UNIDO in the execution of technical assistance projects in the field of industrialization and was opposed to programmes which sacrificed that role by devoting excessive resources to activities that were of less direct practical help to developing countries. It considered, therefore, that UNIDO should reallocate its budgetary resources in order to give greater emphasis to programmes for the generation of employment, the stimulation of the private sector, increased links with agricultural and rural development, the use of appropriate technology, and the meeting of basic human needs. Resources for those purposes could be drawn from the programmes dealing with the Office of the Executive Director, the Negotiations Branch, the Global and Conceptual Studies Branch, the Regional and Country Studies Branch, the Factory Establishment and Management Section, the Metallurgical Industries Section, and various liaison functions.

70. The United States acceptance of chapter 15 should not be construed as implying any endorsement of or agreement with the Lima Declaration and Plan of Action, the New Delhi Declaration and Plan of Action, the establishment of an international bank for industrial development, or the redeployment of existing industrial capacity from industrialized countries, except for that which occurred naturally through the evolution of economies as a result of the operation of market forces.

71. The United States delegation regretted that the Council had been presented with so controversial a chapter on international trade and development finance as the proposed chapter 16. If the UNCTAD secretariat had taken the comments made in the UNCTAD Working Party on the Medium-term Plan and the Programme Budget more carefully into account, the Council's work would have been much easier. His delegation was concerned that chapter 16 exceeded the legislative authority given to UNCTAD, relied on non-consensus resolutions as the primary basis for future work, duplicated work that was more appropriately carried out in other international organizations, and presented a biased analysis of the international economic system. Those concerns had not been entirely assuaged by the amendments agreed. He wished to point out in particular that his delegation felt that the UNCTAD secretariat should not attempt to duplicate or to assume the responsibilities of IMF and the World Bank. Any negotiations on financing should be carried out within IMF.

72. The United States agreed with those delegations which considered that UNCTAD was not an appropriate body in which to discuss East-West trade. UNCTAD was the United Nations forum in which special attention was

devoted to the trade and development problems of developing countries. It was inappropriate and undesirable to divert the time, attention and resources of UNCTAD to issues that were of particular concern to the Soviet Union and other socialist countries; ECE was the appropriate United Nations body in which to consider those matters.

73. Lastly, the United States delegation wished to state once more its position that meetings on economic co-operation among developing countries, serviced by the United Nations but excluding from participation some developing and all developed countries, were contrary to the basic United Nations principles of universality and the sovereign equality of States.

74. Mr. DEVLIN (Canada) said that his delegation endorsed the comments of the United States delegation and those made by the delegation of Denmark on behalf of the members of the European Economic Community in regard to UNCTAD and the medium-term plan, particularly in respect of trade between countries with different economic and social systems.

75. Mr. MIYAKAMA (Japan) said that his delegation, as one of those which had proposed that the Council should review in detail the parts of the plan relating to UNCTAD and UNIDO, was pleased to note that considerable improvements had been made. It was particularly glad that the Council had been able to make a detailed review and to reach a decision on some important policy issues left pending by its subsidiary body. It hoped that that was the first specific step towards the revitalization of the Council. The revisions proposed by the Council to the proposed medium-term plan for the period 1984-1989, contained in the annex to document E/1982/C.3/L.13, as also those recommended by CPC, were generally acceptable to his delegation.

76. In several instances, however, the programmes of UNCTAD still went beyond the legislative mandates agreed upon by the governmental bodies concerned. His delegation considered that, in view of the fact that the

medium-term plan was a programme commitment rather than a resources commitment, the programmes relating to UNCTAD in particular should be carefully examined during the General Assembly's review of the programme budget.

77. Mr. SBIHI (Observer for Morocco) said that he wished to reiterate his delegation's reservations regarding paragraph 4.27 of subprogramme 2 (Research and documentation) in chapter 4, on trusteeship and decolonization, of the draft medium-term plan for the period 1984-1989. Those reservations appeared in paragraph 77 of the report of CPC on its twenty-second session (A/37/38). On the basis of General Assembly resolutions 35/36 and 36/23, his delegation also took the opportunity to call for increased co-operation between the United Nations and the Organization of the Islamic Conference. Such co-operation, through appropriate measures, would be beneficial in securing the international peace and security that was so sorely needed.

78. Mr. BRILLANTES (Philippines) referring to the reservations expressed by some delegations about certain points of the UNCTAD programme, said that decisions adopted by a vote, such as those put forward by the Group of 77 on economic co-operation among developing countries and on trade, should not automatically be declared illegal as a basis for the work of UNCTAD. The Economic and Social Council could not be revitalized by crippling UNCTAD, which had been created especially to foster the progress and development of the developing countries. Its activities should not be presented as an act of treachery to the concept of consensus. The international community should continue to regard UNCTAD as the primary instrument for the development of the developing countries.

79. The PRESIDENT said that the Council had thus concluded its consideration of agenda item 21.

The meeting rose at 5.15 p.m.

51st meeting

Friday, 30 July 1982, at 3.25 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.51

AGENDA ITEM 9

Regional co-operation

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/96)

1. The PRESIDENT drew attention to the nine draft resolutions in paragraph 45 of the report of the First Committee (E/1982/96). The Committee had adopted them without a vote.

2. If he heard no objection, he would take it that the Council also wished to adopt the nine draft resolutions without a vote.

Draft resolution I: Europe-Africa permanent link through the Strait of Gibraltar

The draft resolution was adopted [resolution 1982/57].

Draft resolution II: Caribbean Development and Co-operation Committee of the Economic Commission for Latin America.

The draft resolution was adopted [resolution 1982/58].

Draft resolution III: International assistance to the flood-stricken areas of Democratic Yemen

The draft resolution was adopted [resolution 1982/59].

Draft resolution IV: Expansion of the conference facilities of the Economic Commission for Africa at Addis Ababa

The draft resolution was adopted [resolution 1982/60].

Draft resolution V: Particular problems facing Zaire with regard to transport, transit and access to foreign markets

The draft resolution was adopted [resolution 1982/61].

Draft resolution VI: Financing of the Multinational Programming and Operational Centres of the Economic Commission for Africa on an established basis

The draft resolution was adopted [resolution 1982/62].

Draft resolution VII: Regional programming, operations, restructuring and decentralization issues with respect to the Economic Commission for Africa

The draft resolution was adopted [resolution 1982/63].

Draft resolution VIII: Establishment of a Standing Committee for the Programme of the Economic Commission for Western Asia

The draft resolution was adopted [resolution 1982/64].

Draft resolution IX: Activities of the Economic Commission for Africa

The draft resolution was adopted [resolution 1982/65].

3. Mr. TEICH (United States of America), commenting on resolution 1982/61 on particular problems facing Zaire with regard to transport, transit and access to foreign markets, said that his Government held that the round-table technical consultative meeting with donor countries called for in the resolution should be funded through the internal reallocation of resources within ECA. It had joined the consensus on the resolution because paragraph 4 specifically requested the Secretary-General to keep within existing financial resources in providing assistance to ECA for the round-table meeting.

4. Referring to resolution 1982/62 on the financing of the Multinational Programming and Operational Centres of the Economic Commission for Africa on an established basis, he said that his Government had repeatedly expressed support for the strengthening of the Multinational Programming and Operational Centres. The question that would be before the General Assembly was how that could best be accomplished. The United States Government believed that the Assembly should consider a wide range of possible options not entailing the use of regular budget funds, including the increased use of extra-budgetary sources, as called for in paragraph 4 of the resolution, and the reallocation of existing ECA resources to the Centres. As was noted in paragraph 6 of the resolution, the Executive Secretary of ECA had acted to increase the level of resources available to the Centres. Those efforts should be redoubled, particularly in regard to the transfer of vacant ECA posts to the Centres.

5. Although the United States Government supported the strengthening of the Centres, it could not support proposals that would transfer programmes that were currently being funded from voluntary sources to regular budget funding. It would therefore oppose the proposals

for regular budget funding for the Centres, put forward in paragraphs 47-49 of the report of the Secretary-General on the question (E/1982/70 and Corr.1) when that report was considered by the General Assembly.

6. With regard to resolution 1982/63 on regional programming, operations, restructuring and decentralization issues with respect to the Economic Commission for Africa, his delegation had joined the consensus on the resolution because the United States Government agreed with many of the recommendations in the report of the Joint Inspection Unit entitled "Economic Commission for Africa: regional programming, operations, restructuring and decentralization issues" (JIU/REP/82/1) and with several of the comments of the Secretary-General on that report (E/1982/L.44, annex). The United States Government maintained, however, that measures to implement the Joint Inspection Unit's proposals must conform with the policy of no net growth in the programme, budget or staff. Accordingly, recommendation 5 of the Joint Inspection Unit, calling for the creation of a small core group of programme and administrative officials within each of the Multinational Programming and Operational Centres, should be implemented by transferring the necessary posts to the Centres from ECA or from Headquarters.

7. As the document embodying the Secretary-General's comments on the report of the Joint Inspection Unit, had not been issued until 16 July 1982, it had not been available in State capitals prior to the discussion of the draft resolution. His Government therefore viewed the approval of the Secretary-General's comments as purely preliminary and reserved the right to discuss them further at the thirty-seventh session of the General Assembly.

8. In connection with resolution 1982/65 B on activities of the Economic Commission for Africa, all delegations were aware of the importance of demographic data collection and analysis, and all could support efforts to encourage the voluntary funding of those programmes. However, since, as he had already stated, his Government opposed proposals that would transfer programmes now funded from voluntary sources to regular budget funding, it would oppose paragraph 2 of the text transmitted to the General Assembly, when the Assembly considered it.

9. Mr. BIRIOULEV (Union of Soviet Socialist Republics) said that his delegation had not objected to the adoption by consensus of resolution 1982/65 B, on the understanding that the provisions of paragraph 2 of the text transmitted to the General Assembly meant that the action proposed would be taken within the limits of existing funds in the regular budget.

10. The PRESIDENT drew attention to the two draft decisions in paragraph 46 of the report of the First Committee (E/1982/96), which had also been adopted by the Committee without a vote. If he heard no objection, he would take it that the Council also wished to adopt the two draft decisions without a vote.

Draft decision I: Rationalization of the work of the Economic and Social Council

The draft decision was adopted [decision 1982/174].

Draft decision II: Reports of the Secretary-General on regional co-operation and on the meetings of the executive secretaries of the regional commissions
The draft decision was adopted [decision 1982/175].

11. The PRESIDENT pointed out that, in accordance with resolution 1982/60 just adopted, agenda item 9 would remain open until the Council's resumed second regular session of 1982.

AGENDA ITEM 14

Food problems

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/102)

12. The PRESIDENT drew attention to the draft decision in paragraph 8 of the report of the First Committee (E/1982/102). The draft decision had been adopted by the Committee without a vote. If he heard no objection, he would take it that the Council too wished to adopt the draft decision without a vote.

Draft decision: Food problems

The draft decision was adopted [decision 1982/176].

13. The PRESIDENT said that the Council had thus concluded its consideration of agenda item 14.

AGENDA ITEM 16

Industrial development co-operation

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1982/104)

14. The PRESIDENT drew attention to the draft resolution in paragraph 16 of the report of the First Committee (E/1982/104). The draft resolution had been adopted by the Committee by 40 votes to none, with 4 abstentions. The Committee had also taken separate votes on operative paragraph 5 of part A and operative paragraph 2 of part B of the draft resolution. He took it that the Council would wish to adopt the same procedure.

Draft resolution: Industrial development co-operation

15. Mr. SEVAN (Secretary of the Council) said that some phrases had been left out of the draft resolution during its reproduction. The last part of operative paragraph 5 of part A should read "decision 82/38 of the Governing Council of the United Nations Development Programme, in which the Governing Council stressed the urgent need for the United Nations Industrial Development Organization to bear an increased share of the cost of the senior development field advisers programme". The last phrase of operative paragraph 7 of part A should be replaced by the words "and also notes that consideration of the proposal will revert to the Board at its seventeenth session".

16. The PRESIDENT put to the vote operative paragraph 5 of part A of the draft resolution.

Operative paragraph 5 of part A of the draft resolution was adopted by 42 votes to 4.

17. The PRESIDENT put to the vote operative paragraph 2 of part B of the draft resolution.

Operative paragraph 2 of part B of the draft resolution was adopted by 44 votes to 4.

18. The PRESIDENT put to the vote the draft resolution as a whole.

The draft resolution as a whole was adopted by 42 votes to none, with 4 abstentions [resolution 1982/66].

19. Mr. PASKALEV (Bulgaria), speaking on behalf of the delegations of Bulgaria, the Byelorussian Soviet Socialist Republic, Poland and the Union of Soviet Socialist Republics, said that those delegations had voted against paragraph 5 of resolution 1982/66 A and paragraph 2 of resolution 1982/66 B. They were opposed to the expansion of the System of Consultations, which would lead to foreign investment, under United Nations auspices, in the developing countries without solving the latter's overall industrial problems. Moreover, they opposed the proposal to finance the work of the UNIDO senior industrial development field advisers from the United Nations regular budget; to do so would lead to further costs, the extent of which had not been determined.

20. Nor could they agree to the allocation of further financial resources for co-ordination measures between UNIDO and ECA related to the Industrial Development Decade for Africa. Existing resources or voluntary contributions should be used for that purpose, so as to ensure the most effective use of United Nations funds.

21. The delegations on whose behalf he spoke had opposed draft resolution E/1982/C.1/L.35, some of whose provisions they viewed as an attempt to maintain, within UNIDO, tendencies which they deemed contrary to the interests of the developing countries' industrialization and to international co-operation in the region concerned. Such tendencies would not help the process of establishing UNIDO as a specialized agency or promote the ratification of the new organization's Constitution.

22. Ms. MOJER (Denmark), speaking on behalf of the member States of the European Economic Community which were members of the Council, said that they had voted in favour of the resolution. With reference to paragraph 4 of resolution 1982/66 A, however, on the consultations envisaged to discuss the entry into force of the Constitution of UNIDO as a specialized agency, she wished to state that the Community did not agree with the Secretary-General's interpretation, as expressed in document E/1982/C.1/L.36, of the resolution's programme budget implications. During the informal consultations on the draft, there had been a clear understanding that the consultations envisaged in paragraph 4 would consist of a single session comprising all interested member States, which would also cover the consultations to be held in accordance with article 25 of the new Constitution.

23. She also wished to record the negative position of the Community on the proposal to establish an

international bank for industrial development. That position had been clearly stated during its statement on the agenda item in the First Committee, and in the statement of Group B at the sixteenth session of the Industrial Development Board.

24. Mr. SMITH (United States of America) said that the Industrial Development Board would be considering the UNIDO System of Consultations at its seventeenth session. Neither the Economic and Social Council nor the General Assembly at its thirty-seventh session, therefore, should take any action that might prejudice the outcome of the Board's deliberations.

25. The United States of America viewed restructuring and structural adjustment in the industrial sector as global phenomena occurring continuously on a massive scale, primarily as a result of the operation of market forces. Redeployment and the international distribution of industries would result primarily from the evolution of economies rather than from international negotiation. Although the United States favoured policies that would facilitate the increased processing of primary commodities, and the normal evolution of industrial production in response to market forces, the United States Government could not intervene directly in the process. Furthermore, in formulating policy in that area, each Government must take into account the structure of its economy, as well as its national plans and priorities.

26. In document E/1982/C.1/L.36, the Secretary-General stated that it was his understanding that the consultations requested in paragraph 4 of resolution 1982/66 A would not include the consultations referred to in article 25 of the Constitution of UNIDO. It was the United States' understanding, however, that they would do so, and that only one set of consultations would be necessary.

27. The PRESIDENT said that the Council had thus concluded its consideration of agenda item 16.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (concluded)

28. The PRESIDENT, referring to the draft resolution entitled "Protection against harmful or potentially harmful products" (E/1982/L.46), said that it had not been possible to reach a consensus during informal consultations, although the participants had agreed on most of the paragraphs of the draft resolution, as orally revised and amended. The main difficulties remaining were with the words "to ensure that these are not produced or exported by corporations or individuals that have their main seat of business in their territory, or are otherwise liable to their jurisdiction" in operative paragraph 1, and the words "or challenged by authoritative institutions" in operative paragraph 3. He asked the representative of Venezuela to inform the Council, on behalf of the sponsors of the text, how he wished the Council to proceed in the consideration of the

draft resolution.

29. Mr. TER HORST (Venezuela) said that he wished to present on behalf of the sponsors some oral revisions which he thought embodied most of the points raised by the industrialized countries in the course of the informal consultations and which would, he hoped, make it possible for the Council to adopt the draft resolution by consensus. He read out the proposed new text of the draft resolution:

"The Economic and Social Council,

"Aware that the production and export of banned or severely restricted harmful products, including foodstuffs, clothing, pharmaceuticals, pesticides and industrial chemicals, endanger public health and the environment,

"Taking into account that the primary responsibility for consumer protection rests with each State,

"Considering that many of these products continue to be exported to third countries, especially developing countries, despite the fact that their consumption, use and/or sale have been banned or severely restricted in the producing country,

"Considering that many developing countries lack the necessary information and expertise to keep up with developments in this field,

"Cognizant of the fact that almost all these products are at present manufactured and exported from a limited number of countries,

"Recalling General Assembly resolution 36/166, and in pursuance of Council resolution 1981/62 of 23 July 1981,

"1. Urges all countries that have banned or severely restricted the consumption, use and/or sale of harmful products to ensure that these are not produced or exported by corporations or individuals liable to their jurisdiction;

"2. Requests all countries that have banned or severely restricted the consumption, use and/or sale of harmful products to make available all information in this regard, in order to ensure that the importing countries can be protected against the harmful effects of such products;

"3. Requests the Secretary-General to continue to ensure the provision of the necessary information and assistance by the United Nations to strengthen the national capacities of developing countries in protecting themselves from the consumption and use of harmful products;

"4. Requests the Secretary-General, making use of the work already being done, to prepare and regularly update and consolidate a list of products whose consumption, use and/or sale have been banned or severely restricted by national Governments or challenged by recognized international institutions, and to make that list available to Governments."

30. He asked for a roll-call vote to be taken on the draft resolution as orally revised.

31. Ms. BALI (India) said that India should be included among the sponsors listed in draft resolution E/1982/L.46

32. Mr. IVERSEN (Denmark) said that the revised text, as read out, constituted virtually a new draft resolution. The Council should have time to consider that interesting and helpful new proposal. He suggested that its discussion should be suspended for 24 hours.

33. Mr. TER HORST (Venezuela) said that the changes in draft resolution E/1982/L.46 had been made out of consideration for the industrialized countries. The sponsors would have preferred the original text. If a decision could not be taken on the basis of the revised text he had read out, the Council could perhaps take a vote on draft resolution E/1982/L.46 as it stood.

34. After a procedural discussion, the PRESIDENT suggested that the meeting should be suspended for a short time to enable the positions of the delegations taking part to be reconciled.

It was so decided.

The meeting was suspended at 4.25 p.m. and resumed at 4.30 p.m.

35. Mr. TER HORST (Venezuela) said that, as a result of the informal consultations just held, the sponsors proposed that the original text of draft resolution E/1982/L.46 should be transmitted to the General Assembly for consideration, because there was no time to reach agreement on any text at the Council's current session. The only amendment would be the addition of India and Zaire to the list of sponsors.

It was so decided [decision 1982/180].

36. Mr. IVERSEN (Denmark) thanked the sponsors for their readiness to understand the difficulties faced by some delegations with regard to the draft resolution. It was hoped that the difficulties would be overcome during the General Assembly's consideration of the text.

37. The PRESIDENT proposed that the Council should take note of the following documents relating to the agenda item under consideration: the *World Economic Survey 1981-1982*; report of the Task Force on Long-term Development Objectives of the Administrative Committee on Co-ordination (E/1982/74); summaries of the economic surveys of the regional commissions (E/1982/42, E/1982/61, E/1982/62, E/1982/64, E/1982/75); the report of the Committee for Development Planning on its eighteenth session (E/1982/15 and Corr.1 and 2); the report of the Secretary-General on the implementation of General Assembly resolution 35/203 (A/36/477); and the comments of the Secretary-General on the report of the Joint Inspection Unit on the relationships between the Director-General for Development and International Economic Co-operation and entities of the United Nations Secretariat (A/36/419/Add.1).

It was so decided [decision 1982/177].

AGENDA ITEM 29

Nominations and elections

38. The PRESIDENT said that, since consultations with the various regional groups concerning elections and

nominations had not yet been concluded, the Council had been requested to postpone the nominations and elections until its resumed second regular session of 1982.

AGENDA ITEM 2

Adoption of the agenda and other organizational matters (concluded)¹ (E/1982/109; A/37/15, A/37/31, A/37/40)

39. The PRESIDENT invited the Council to authorize the Secretary-General to transmit directly to the General Assembly the annual report of the Trade and Development Board (A/37/15), the report of the Human Rights Committee (A/37/40) and the report of the Council of the United Nations University (A/37/31).

It was so decided [decision 1982/178].

40. The PRESIDENT invited the Council to take note of the report of the Secretary-General containing the summary of estimates of programme budget implications of resolutions and decisions adopted by the Council during its first and second regular sessions of 1982 (E/1982/109).

It was so decided [decision 1982/179].

41. Mr. SEVAN (Secretary of the Council) informed the Council that a preliminary list of the resolutions and decisions adopted at its second regular session of 1982 was being circulated. To the list should be added decision E/1982/180, being the decision just taken to transmit draft resolution E/1982/L.46 to the General Assembly. A final list would be issued shortly under the symbol E/1982/INF.11.

Adjournment of the session

42. The PRESIDENT said that the current session had clearly shown the common goal of the Economic and Social Council to be the creation of conditions for equitable and efficient international co-operation. In spite of differences on important issues, there had been a convergence of views and interests with respect to several important areas.

43. Firstly, the international economic situation had deteriorated seriously, affecting all countries. The previous year had brought almost no growth and the volume of world trade had stagnated for the second consecutive year. Inflation had decelerated but had not yet been brought under full control. As the *World Economic Survey 1981-1982* and the report of the Committee for Development Planning (E/1982/15 and Corr.1 and 2) had made clear, the future was highly uncertain.

44. In the political sphere, the situation had deteriorated with the increasing recourse to the use of force and the extension of old conflicts and the appearance of new ones. The arms race had a negative impact on all spheres of relations in the world. Global expenditure on armaments had attained a level of \$600 billion, more than

¹ Resumed from the 53rd meeting.

the total investment in all developing countries, and the twelfth special session of the United Nations General Assembly (second special session devoted to disarmament) had failed to achieve the expected results.

45. Secondly, the main victims of both the deteriorating situation in the economic and political spheres and the system of inequitable international economic relations were the developing countries. The dimensions and acuteness of that situation had made it one of the most significant political problems of the contemporary world, requiring global solutions. Because of the world economic depression, many developing countries, instead of taking "measures of positive adjustment" in order to promote the growth of their economy, were compelled to pursue "negative adjustments", sacrificing their development needs. Such adjustments were being undertaken when the relative price of their primary commodities had fallen to the lowest post-war level, their foreign indebtedness had surpassed half a trillion dollars, annual service payments on the principle and interest amounted to over 100 billion dollars—well above the current financial inflow—and official development assistance had decreased by 4 per cent in real terms.

46. Thirdly, many agreed that the crisis was of a structural rather than a cyclical nature. The situation called for a strengthening of multilateral co-operation, both for the revival of the world economy and for the restructuring of existing international economic relations, as two aspects of the same problem. The debate had demonstrated the need for every country to play its part in overcoming the crisis, and, of course, heavy responsibility rested with the countries which played a major role in the world economy. Though there were differences concerning the nature of the new international economic order, there was growing agreement concerning the necessity for changes which would create the conditions for every country to develop its material and human potential, to make use of knowledge and experience in normal conditions, to ensure an equitable position in international relations and thus to give its share to the development of the world economy. Multilateral co-operation required that all Governments should pay adequate attention to the international consequences of their national economic policies and their influence on the world economy and international economic relations.

47. Fourthly there was no doubt that the launching of global negotiations was one of the most important tasks before the international community. The negotiations were in the common interest of all countries, since they would contribute to the revival of the world economy and to its restructuring. The countries which played a prominent role in the world economy were expected to make a main contribution to the success of that endeavour.

48. Fifthly, the proposal of the Secretary-General for a programme for the recovery of the world economy was an important contribution. It should be closely linked with the restructuring of the world economy and international economic relations and, since "positive adjustment" could obviously not be achieved in conditions of

stagnation, it should have as its primary aim a more rapid economic development and industrialization of the developing countries.

49. Sixthly, the strengthening of the United Nations system in solving world economic problems was an urgent task, to which every country should make its contribution. It was encouraging to note that emphasis was being placed on the need to stimulate negotiations between the developed and developing countries in all forums and at all levels of the United Nations system. General Assembly resolution 34/138 had explicitly pointed out that the launching of global negotiations should not interrupt or have any adverse effect on negotiations in other United Nations forums, but should reinforce and draw upon them. It was therefore indispensable to take steps to accelerate the negotiating process in various bodies of the United Nations system and within the framework of the International Development Strategy for the Third United Nations Development Decade. There was virtual unanimity that issues such as those of food, energy, balance-of-payments and development financing problems, the transfer of financial resources and trade demanded the urgent attention of the international community. An essential condition for the recovery of the world economy was resistance to protectionism, with the further liberalization of international trade and the avoidance of any monetary and fiscal measures which would have a negative impact on other countries. Forthcoming meetings of IMF and the World Bank, the ministerial meeting of GATT and the sixth session of the United Nations Conference on Trade and Development would provide considerable opportunities to meet that condition. The proposals being considered by GATT to halt further protectionist and subsidy measures also deserved attention, in the light of the potential benefits of the implementation of those proposals for both developed and developing countries.

50. In the seventh place, economic co-operation among developing countries had been recognized as a significant element in those countries' efforts to accelerate their economic and social development. The High-level Conference held at Caracas in 1981 had represented a considerable contribution to the evolution of both the concept and the practice of economic and technical co-operation among developing countries. At the same time, it had been underlined that co-operation with developing countries was no substitute for co-operation with developed countries and that it was necessary for the entire United Nations system to support and assist economic co-operation among developing countries as a contribution to the promotion of international co-operation for development.

51. Eighthly, at its current session the Council had reaffirmed the importance of its role in economic, humanitarian and disaster relief assistance, which continued to be the subject of special concern and attention, and had confirmed the solidarity of the international community with the countries stricken by natural and other forms of disaster endangering their development efforts in general.

52. Ninthly, there had been wide support for the resolution on the need to strengthen the status and the role of the Economic and Social Council. The readiness of the heads of the specialized agencies and regional commissions to contribute to the revitalization of the Council was encouraging. The best way to strengthen its role, however, was through concrete measures which would improve international co-operation for development.

53. The high quality of the general debate had reflected an increased awareness of interdependence and the need for co-operation. Members had agreed that the situation in the world was one of crisis and that it was necessary to take measures to revive confidence in co-operative efforts. What had not been accomplished at the present session of the Council should be pursued more vigorously at the forthcoming session of the General Assembly.

54. Mr. CHOUÏREF (Observer for Algeria), speaking on behalf of the Group of 77, expressed warm thanks to the President for his tireless efforts towards the success of the session, in particular concerning the evaluation of the functions of the Council and the need to revitalize it. The Group also thanked the members of the Bureau, the committee chairmen, and, in particular, the Secretary-General, who had shown particular interest in the peaceful and concerted development of international economic relations which would take equal account of the interests of all countries.

55. Mr. HEFNY (Observer for Egypt), speaking on behalf of the States of the African Group, participating as members and observers in the Council's work, expressed their deep appreciation of the valuable efforts of the President to bring about successful results at the current session.

56. Among the important resolutions and decisions adopted, resolution 1982/50 on the revitalization of the Economic and Social Council deserved special mention as a landmark in the process of bringing new life and inspiration into its work. It represented a serious attempt to make the Council a focal point for the co-ordination of economic and social activities within the United Nations system. Among other substantial resolutions adopted by the Council, some had focused on recommending particular measures to solve the acute socio-economic problems of Africa at the sectoral, global, regional and country levels. Solving the financial problems of the Multinational Programming and Operational Centres of ECA had received particular attention, and his delegation hoped that the recommendations adopted by the Council in that regard would lead the General Assembly to take a definite decision on the matter.

57. Support had been given to the Transport and Communications Decade in Africa and to the implementation of the Lagos Plan of Action. All the resolutions adopted by the Council on African questions were welcomed by the African delegations and it was hoped that African issues which had not been settled at the current session would receive particular attention at the forthcoming session of the General Assembly and at the resumed Council session.

58. In conclusion, he expressed appreciation to the members of the Bureau and to all delegations present.

59. Mr. POPOV (Bulgaria), speaking on behalf of the member and observer delegations of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics, said that the Council's current session had underlined the growing concern felt by most of its members at the hardening of imperialist policies and the runaway crisis of the world's capitalist economies. Opposition had been voiced to the attempts of imperialist States and their monopolies to increase tension, accelerate the arms race and export their crisis to other nations, particularly the developing countries, to ignore the principles of the restructuring of international economic relations and the establishment of a new international economic order in the interests of all countries, regardless of their level of development and socio-economic systems, and to expand their policy of interference and discrimination, using methods such as economic blockade, embargoes and other illegal sanctions against the developing and the socialist countries. The session had also revealed a growing understanding of the link between questions of disarmament, peace and détente and those relating to economic development. Peace-loving forces were becoming increasingly opposed to attempts to hamper the efforts towards the economic decolonization of newly independent States so essential to their real progress, with a view to the equitable and mutually advantageous development of all countries and peoples, regardless of their socio-economic systems.

60. At its current session, the Council had made useful progress in combating the negative policies he had mentioned. One notable step had been the adoption, by an overwhelming majority in the face of Israel's aggression, of resolution 1982/48 on assistance to the Palestinian people, and of resolution 1982/47 concerning the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. Draft resolution E/1982/L.51, dealing with the illegality of economic sanctions as a means of political pressure, was a further condemnation of imperialist policies; it reflected the developing countries' determination to uphold the objectives of the Charter of Economic Rights and Duties of States and of the Declaration on the Establishment of a New International Economic Order. The Western delegations' opposition was, of course, consistent with their efforts to sabotage all United Nations decisions on such matters.

61. In view of the world's current political and economic situation, urgent measures were required to control the arms race and establish a basis for equitable and peaceful collaboration among all States as a prerequisite to the solution of international economic problems, including those of the developing countries. The socialist countries' proposals in that connection formed part of the specific measures aimed at achieving peace, security, all-round socio-economic development and the economic indepen-

dence of new States. The contribution made by socialist collaboration to economic decolonization was evidenced by the publication, during the current session, of official data on the Soviet Union's economic and financial assistance to the developing countries; it had amounted to 30 billion roubles for 1976-1980, and in 1980 had equalled 1.3 per cent of GNP—in itself an answer to all the West's fabrications on the topic in recent years.

62. It had again been shown that the strengthening of the Council's role in dealing with international economic problems depended primarily on the political will of its members, including the developing countries. It was important to make the utmost of the capacity conferred on the Council by the Charter of the United Nations and to take steps to ensure the implementation of the resolutions it had adopted on such problems.

63. Mr. LEIKVANG (Norway), speaking on behalf of the Western European and other States, participating as members and observers in the work of the Council, thanked the President for his skill and firmness in guiding that work. In addition, the members of the Bureau deserved congratulations on their constructive contribution.

64. Mr. JAMAL (Qatar), speaking on behalf of the Asian Group, thanked the President and the members of the Bureau for their efforts to ensure the success of the session. The President's efforts in particular had enabled the Council to take an important step towards the revitalization of its work and would undoubtedly be an inspiration for the future. He also thanked members for the adoption of resolution 1982/48 on assistance to the Palestinian people, which reflected world concern with the plight of the Palestinians, who were being subjected to a barbaric war of genocide.

65. Mr. HEPBURN (Bahamas), speaking on behalf of the Latin American Group, thanked the President for his guidance of the work of the session, in particular concerning the question of revitalization. The Group was also grateful to the members of the Bureau for their efforts to bring the work of the session to a successful conclusion.

66. The PRESIDENT thanked the speakers and all those who had contributed to the success of the session. He declared the session adjourned.

The meeting rose at 5.20 p.m.

ECONOMIC AND SOCIAL COUNCIL

RESUMED SECOND REGULAR SESSION, 1982

Summary records of the 52nd to 58th plenary meetings, held at Headquarters, New York, from 25 October to 11 November 1982

52nd meeting

Monday, 25 October 1982, at 3.45 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR 52

In the absence of the President, Mr. Gilberto C. Paranhos Velloso (Brazil), Vice-President, took the Chair.

Resumption of the session

1. The PRESIDENT declared open the resumed second regular session of 1982.

AGENDA ITEM 2

Adoption of the agenda and other organizational matters (E/1982/110)

2. The PRESIDENT proposed that the Council adopt the annotated list of items to be considered at the resumed second regular session of 1982 (E/1982/110).

It was so decided.

AGENDA ITEM 25

Transnational corporations (E/1982/18 and Add.1 and Add.1/Corr.1)

3. The PRESIDENT drew attention to the report of the Commission on Transnational Corporations on its eighth session (E/1982/18) and, in particular, to the draft resolutions and decisions recommended for adoption, contained in chapter I of the report, and the associated statement of programme budget implications (E/1982/18/Add.1 and Corr.1). He emphasized that draft resolutions

III and IV had been approved in a vote. He also suggested that, if the Council adopted draft resolution I, the election of the members of the working group proposed in that draft should take place at the same time as the elections under agenda item 29 (Nominations and elections).

It was so decided.

4. Mr. SAHLGREN (Executive Director, United Nations Centre on Transnational Corporations) introduced the report of the Commission on Transnational Corporations on its eighth session, held at Manila from 30 August to 10 September 1982 (E/1982/18), which was accompanied by a statement of the programme budget implications of the draft resolutions proposed by the Commission (E/1982/18/Add.1 and Corr.1)

5. At that session, the Commission had given priority to work on the formulation of a code of conduct for transnational corporations. The Economic and Social Council had stressed the importance of such a code several times. The code would supplement and serve as a model for national legislation, strengthening States in their dealings with such corporations. The draft code (E/C.10/1982/6, annex) drawn up by the Intergovernmental Working Group on a Code of Conduct during the 17 sessions that it had held to date contained 71 provisions and was divided into six parts: preamble and objectives (which would be drafted when work on the substantive parts was complete); definitions and scope of application; activities of transnational corporations; the treatment of transnational corporations; intergovernmental co-operation; and the implementation of the code. The bracketed provisions were those on which there had been a lack of complete agreement.

6. Draft resolution II recommended by the Commission, entitled "Arrangements for completing the formulation of a draft code of conduct on transnational corporations", reaffirmed the importance of a comprehensive, effective and generally accepted code of conduct and provided for the Commission to hold a special session early in 1983 to complete its work on the subject. The United Nations Centre on Transnational Corporations was called upon to provide all States with the necessary documentation in order to facilitate their participation in the session; it proposed to hold a briefing meeting for missions in New York in January 1983 and was also considering holding briefing meetings at four of the regional commissions.

7. The Commission had also taken up the report of the *Ad Hoc* Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (E/C.10/1982/8), which had dealt with a number of important issues. In that connection it had endorsed draft resolution I, entitled "Establishment of an Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting", which specified the procedures for designating such a group, its mandate and its *modus operandi*.

8. The Commission had also considered a report on transnational corporations in southern Africa and the measures taken pursuant to the resolution it had recommended at its seventh session (E/C.10/1982/11). It had voted to recommend for adoption by the Economic and Social Council draft resolution III, entitled "Activities of transnational corporations in southern Africa and their collaboration with the racist minority regime in that area", which reaffirmed the contents of Council resolution 1981/86, and draft resolution IV, on the organization of public hearings on the activities of transnational corporations in South Africa and Namibia, which called on the Commission to hold the hearings and made provision for various preparatory activities, including the establishment of an *ad hoc* committee to draw up guidelines to govern the proceedings. Finally, the Commission was submitting to the Council two draft decisions, concerning the dates and organizational details of its ninth session.

9. The Commission had considered five reports by the Centre, dealing respectively with the question of transnational corporations in the light of international economic relations (E/C.10/1982/2), transborder data flows (E/C.10/1982/12 and Corr. 1), shipments of bauxite and alumina (E/C.10/1982/14), the regulation of transnational banks in developing countries (E/C.10/1982/13), and joint ventures between Latin American enterprises as an example of the steps that Governments could take to strengthen their negotiating capacity (E/C.10/1982/15). The Commission had praised the general quality of the research done by the Centre. Suggestions for future work would be presented in the proposed programme budget for 1984-1985.

10. The Commission had noted with appreciation the Centre's progress report on the information system on transnational corporations (E/C.10/1982/7), which had

performed better over the year and could now meet a wide range of needs. The Centre had also submitted several technical papers on transnational corporations (national legislation, contracts, the role of transnational corporations in the automobile industry, and technology transfer in selected branches of capital goods manufacture). The Commission had stressed the importance of legal information and the collection of data on corporations themselves, as well as macro-economic information (on flows of technology and investment between countries, for example). Moreover, national information systems needed to be backed up and linked to the Centre's system.

11. The Commission attached great importance to technical co-operation on matters relating to transnational corporations and had praised the programme that the Centre had developed and carried out (E/C.10/1982/9). Developing countries were drawing increasingly on such advisory and training services, showing that the services met important needs and that the programme was highly regarded by its beneficiaries. But there must be sufficient funds for the Centre to continue along those lines; thanks were due, in that connection, to the countries (Netherlands, Norway, Sweden and Switzerland) that had made voluntary contributions to the programme in 1982. Other countries were urged to do the same.

12. Lastly, the Commission had selected the 16 expert advisers who would collaborate in its work through its tenth session. The overall atmosphere of the eighth session of the Commission had been positive and business-like and the prevailing sentiment had been that it was necessary to move forward with the work despite divergencies on some of the difficult issues that remained to be resolved.

13. At its ninth session the Commission would have before it several documents prepared by the Centre: the third integrated study on transnational corporations in world development, with a documented analysis of their evolution, the context and various aspects of their operations; a progress report on transborder data flows, a topic which was still on the agenda; proposals concerning the expansion of extrabudgetary arrangements to cover the cost of technical co-operation projects and a report on the projects executed by the Centre between the eighth and ninth sessions, together with an evaluation.

14. Mr. PLATTNER (United States of America) thought that the eighth session of the Commission had revealed that the developing countries were currently showing greater openness towards the transnational corporations, recognizing for example that those corporations could play a significant role in finding solutions to their economic problems or could make a positive contribution to development. As the Executive Director of the Centre on Transnational Corporations had noted, both partners had changed their views, the corporations modifying their attitudes towards involvement in the developing countries, and those countries showing increased pragmatism and flexibility in their policies towards transnational corporations.

15. That was encouraging. Ten years before, the United Nations had first taken up the issue in an atmosphere of suspicion and controversy. At that time there had been a general tendency to view the transnational corporations as an instrument whereby the United States threatened the economic independence of other countries, not only developing but developed. It was true that, at the time, United States investment abroad had accounted for about two thirds of the total of direct investment outflows, as against 3 per cent of the reverse flow. The current situation was radically different: in 1980, the United States share of direct foreign investment had been well below 50 per cent, but on the other hand the United States had been receiving more than 30 per cent of the total volume of direct foreign investment, in other words, far more than any other country and more even than the developing countries as a whole. Moreover, during the 1970s, the developing countries had become an important source of direct foreign investment, which had increased 25 times in 10 years (\$43 million on the average at the beginning of the decade, as against \$1.150 million in 1980).

16. It had been very wrong, therefore, to think of the transnational corporations as an instrument of domination in the hands of a country wishing to control the world economy. In fact, they were the inevitable outcome of a time that had been marked by the emergence of world-wide markets and an increasingly interdependent international economy. The fact that they had been set up in so many different countries confirmed that they were highly useful economically, both for the host and the home country. The more pragmatic developing countries had realized that and were very anxious to attract such investment. They were negotiating from positions of strength and were entering into increasingly complex operations (for example, joint ventures and a variety of non-equity arrangements) with those corporations, while the corporations for their part were adjusting their methods of operation to practices in the host countries.

17. Those improved relations between the partners could go still further—and divergencies between Governments on matters of investment could be reduced—if a properly drafted code of conduct was adopted. That was why the United States welcomed draft resolution II, whereby the Commission decided to hold a special session to work on those parts of the text on which agreement had not yet been reached. It would be desirable for the expert advisers to attend that special session.

18. The code of conduct should be non-discriminatory and should recognize the responsibilities of Governments as well as those of the transnational corporations; it should be applicable to all enterprises, whether private, State-owned or mixed; and its application should be voluntary. The disagreement arose on the question of definitions and scope of application. Nevertheless, the Commission recommended that the special session should begin with those points. Given current economic realities, it was inconceivable that the code should not clearly extend to State-owned enterprises. In 1979, State-owned enterprises of countries with mixed econo-

mies had accounted for 15 per cent of world trade and 20 per cent of the total sales of the 500 largest non-United States corporations. Their rate of growth during the 1970s (22 per cent) had been well above that of the other corporations on the list. Thus they could not be left out, and consequently those in the Soviet Union and other Eastern European countries must also be taken into account. The realities of the present day could not be disregarded; the code must be adapted to the rapid evolution of the modern world in that respect.

19. The United States could also support the draft resolution on the establishment of an Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. Its work should make it easier to compare the information disclosed by corporations, and it was a more appropriate body than the United Nations itself to work on that complex question.

20. The United States would, however, be obliged to vote against the two draft resolutions on southern Africa. The measures proposed in draft resolution III, on the co-operation of transnational corporations with South Africa, constituted sanctions and thus fell exclusively within the competence of the Security Council. Moreover, they would not be effective in altering the system of *apartheid*. On the contrary, the transnational corporations could, through their adherence to fair employment practices, contribute to a peaceful evolution away from the system of *apartheid*, which was deeply repugnant to the United States. As far as draft resolution IV, on public hearings, was concerned, it would be particularly unfortunate to choose the Commission itself as the forum for the hearings: they would inevitably become politicized—on predictable lines—and were most unlikely to yield any new insights.

21. Lastly, the United States felt that the regular budget should not be increased to pay for any of the new bodies or additional meetings mandated by the Commission's draft resolutions. If additional funds were required, they should come from the reprogramming of budget resources within the overall levels already approved.

22. Although the United States could not approve of all the actions taken by the Commission at its eighth session, it believed that the consensus that had begun to emerge on the role of transnational corporations in development made it possible to hope that the Commission would attain its priority goal, the adoption of a code of conduct.

23. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that the task which the United Nations had set itself 10 years earlier to eliminate the negative effects of the activities of transnational corporations was all the more topical today because the harmful influence of those corporations was making itself felt in the most varied sectors of international life. They not only drained vast resources from the developing countries but also financed repressive régimes, involved themselves actively in military matters and interfered in the internal affairs of independent States, so threatening peace and security.

24. Assessing the results of the eighth session of the Commission, he noted with satisfaction the adoption of a number of useful decisions aimed at impeding the

activities of transnational corporations and, in particular, of important resolutions condemning their operations in southern Africa and their co-operation with the racist Pretoria régime. He also pointed out that the fact that work on the code of conduct on transnational corporations had still not been finished was the fault of the Western countries which had still not acknowledged their responsibilities towards the developing countries. What was more, those countries were trying to draw a parallel between transnational corporations and the foreign-trade organizations of the socialist countries, an absolutely pointless exercise, and were presenting an ultimatum: either the foreign-trade operations of the socialist countries were to be included in the code of conduct or work on it would be blocked. That tactic had apparently become the Western countries' only means of blocking international negotiations on the question.

25. However, the Commission intended to complete drafting the code at its next special session. The success of that session would depend to a great extent on the will of all States, in particular the developing countries, to concentrate on eliminating the harmful consequences of the transnational corporations' activities. Only on that condition could the code of conduct become a practical factor in the restructuring of international economic relations on a more equitable basis.

26. Referring to document E/1982/18/Add.1 and Corr.1, which contained information on the programme budget implications of the draft resolutions adopted by the Commission at its eighth session, he expressed astonishment at the amounts given, which seemed to him comparable with the financial implications of an international conference. His delegation hoped that the Secretariat would examine the prepared estimates carefully because, in its view, most of the expenditures relating to the drafting of the code and the special session of the Commission could be covered without the need to increase the appropriations in the regular United Nations budget.

Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

27. Mr. DIECKMANN (Federal Republic of Germany) welcomed the fact that, despite the difficulties encountered during negotiations on the code of conduct, it had been possible to finalize important parts of the code which now represented a solid basis for further discussions. His country therefore agreed with the idea of holding a special session of the Commission early in 1983 and believed that the participation of all interested countries in the negotiations would contribute to a successful outcome.

28. To ensure that success, two requirements had to be taken into account. The first was universality. No transnational corporation, whether large or small, private or public, should be able to escape the responsibilities incumbent upon it. Corporations very often belonged to the State and were managed directly by Governments or public authorities. It was therefore impossible to make a distinction between good and bad transnational corporations and, in order to be both applicable and

practical, the code must encompass both public and private corporations.

29. The second essential element was the need to establish a balance. A code which governed only the activities of transnational corporations, without also providing certain basic guarantees for those enterprises on the part of the host countries, would deter investors, and that would harm the developing countries in the first place. There was no denying that the bulk of foreign investments still took place among developed countries. The code would make it possible to change the situation in that respect.

30. His delegation welcomed the fact that many developing countries had adopted a pragmatic attitude toward foreign investments. It was to be hoped that that attitude would be reflected in the current negotiations. Treating transnational corporations as instruments of imperialism led nowhere and it was to be noted moreover that, in recent years, many corporations of that kind had been established in the developing countries themselves.

31. If the purpose of the code was to encourage foreign investment, it must also be recognized that matters such as adequate compensation, free transfer and national arbitration greatly influenced the decisions taken by enterprises.

32. All countries were now interdependent and the transnational corporations, an essential element in that interdependence, were contributing to world economic growth. The aim of the proposed negotiations should therefore be to increase investment activity in third-world countries. A balanced code would be the best means of achieving that aim.

33. Mr. MAETZOLD (Observer for the German Democratic Republic) said that the draft resolution adopted at the eighth session of the Commission on the measures to be taken to complete the drafting of the code of conduct constituted a sound basis for resolving the remaining substantive problems and making appropriate procedural arrangements to ensure a speedy finalization of the code. Those objectives could be achieved if all those participating in the negotiations showed the necessary political will.

34. It had been stressed repeatedly that transnational corporations were one of the pillars of the world capitalist economic structure and that the sole aim of their activities in developing countries was profit. It had therefore proved necessary to give the developing countries in which those corporations were operating the means to regulate such activities so as to eliminate their harmful consequences. The draft code of conduct played an important part in that respect. It could and must constitute one of the elements in the restructuring of international economic relations on more democratic foundations, an objective clearly set forth in important United Nations documents.

35. Furthermore, resolution 3202 (S-VI), adopted at the sixth special session of the General Assembly, stated that an international code of conduct for transnational corporations should aim to prevent them from interfering

in the internal affairs of the countries where they operated and from collaborating with racist regimes and colonial administrations. Those were the main political reasons why the United Nations had institutionalized its consideration of the questions that resulted from the practices of such corporations. Some Western countries tended to forget or to minimize the principles and aims set out in resolution 3202 (S-VI). They were attempting to extend the meaning of the term "transnational corporation" to include enterprises of socialist States in order to divert attention from the neo-colonialist practices of the transnational corporations, knowing full well that the socialist countries made no private investments in foreign countries, practised no transfers of profits and respected the sovereignty of third-world States, with which they co-operated in full equality. The sole aim of the imperialist forces was to delay still further the formulation of the code of conduct

36. That approach went completely against the mandate assigned to the Commission on Transnational Corporations and sought to harm the interests of the developing countries where the activities of the transnational corporations were rife. However, it was the task of the international community to support the developing countries in their efforts to overcome their economic dependence, and part of that task was to respect the facts and express them clearly in the code.

37. As an active member of the Commission on Transnational Corporations since its creation, his country felt obliged to draw attention to the need to avoid work on the code of conduct being impeded by the manoeuvres of the representatives of certain Western countries. What was at stake was respect for the Commission's mandate, which was to formulate a code of conduct for transnational corporations which would be an effective instrument for States, particularly developing countries, to regulate the activities of those corporations.

38. His country's position on the transnational corporations' collaboration with the racist régime in South Africa and on the work of the United Nations Centre on Transnational Corporations, as stated at the Commission's eighth session, remained unchanged. His country therefore supported draft resolutions III and IV adopted by the Commission at that session and hoped that the Economic and Social Council would endorse them. Those resolutions would help to unmask the policy of certain imperialist States which were continuing to expand their illegal co-operation with the South African racist régime. He also recalled that, in his Government's view, the information system on transnational corporations should be extended so as to cover all aspects of their activities. In that connection, operative paragraph 14 of draft resolution III and the pertinent provisions of draft resolution IV were a step in the right direction.

39. He further stated that the United Nations Centre on Transnational Corporations should consider all aspects of the practices and operations of transnational corporations, in particular their political activities and related social consequences, which had not been studied sufficiently so far. Furthermore, a start should at last be

made in investigating the role of those corporations in the field of arms production and trade. Of practical significance in that respect was the provision in operative paragraph 14 of draft resolution III

40. It was equally important to implement the recommendations adopted at the eighth session of the Commission with regard to the compilation of data concerning capital inflows and outflows as well as payments from countries where transnational corporations had made investments. It was therefore essential to retain on the Commission's agenda the item entitled "The role of transnational corporations in transborder data flows and their impact on home and host countries, particularly of developing countries". In conclusion, his country welcomed the efforts undertaken by the United Nations Centre on Transnational Corporations in implementing General Assembly resolution 36/51. The activities undertaken by the Centre in that field now enabled it to present findings of practical significance for the restructuring of international economic relations, and in addition the studies which it had carried out on the subject were a solid basis for further work on the task entrusted to it.

41. Mr. VELLOSO (Brazil) said that his delegation found it difficult to approve draft decision I submitted by the Commission on Transnational Corporations, concerning postponement of the Commission's ninth session. The Council was aware, since it had itself participated in the exercise, that a great deal of time and effort had been devoted to the question of revitalizing the Council and that one of the more important aspects of that revitalization was the documentation and calendar of meetings. By postponing its ninth session from May to late August or early September, the Commission would oblige the Economic and Social Council to resume its second regular session, perhaps against its wishes, at a time when its members were engrossed in the work of the General Assembly; that situation carried the risk of troublesome consequences for the work of the Second and Third Committees and was not in the interests of Member States themselves.

42. He recalled that, according to the decisions taken by the Economic and Social Council on the calendar of its meetings, the Council was to examine the reports of its subsidiary organs (and the Commission on Transnational Corporations was a subsidiary organ of the Council) in the course of its regular sessions. Consequently, the Council should, as in the past, have considered the Commission's report at its second regular session, in July. He thought therefore that the Commission should hold its special session on the drafting of a code of conduct and its ninth regular session during the first half of 1983, so that it could submit its reports on those two sessions to the Council at its second regular session, in July 1983. That was why his delegation would have difficulty in approving draft decision I when the time came.

43. Mr. GADEL HAK (Observer for Egypt), referring to the effects on the situation in southern Africa of the policy of the racist régime of South Africa, said that co-operation between the transnational corporations and

the South African régime, far from having benefited the population of South Africa, had, on the contrary, encouraged the régime to pursue its policy of repression.

44. During the eighth session of the Commission on Transnational Corporations, the developing countries, particularly those in Africa, had done everything possible with a view to achieving consensus on draft resolutions III and IV regarding the activities of transnational corporations in southern Africa and contained in the Commission's report. Unfortunately, they had not been able to convince their partners to join the consensus. It was the duty of the international community to do everything possible to eliminate *apartheid* and racism and thus to mitigate the suffering of the population of that area of the world. It was therefore to be hoped that the Council would adopt the draft resolutions in question, as the Commission had recommended.

AGENDA ITEM 20

International co-operation and co-ordination within the United Nations system (E/1982/85, E/1982/87)

45. Mr. PIRSON (Belgium) said that, at the current meeting, his delegation would confine itself to some general comments on the report of the Administrative Committee on Co-ordination on strengthening the co-ordination of information systems in the United Nations system and that, at the following meeting, it would comment further on the recommendations of ACC.

46. He reminded members that, for the past 20 years, a great many proposals had been made and some modest measures had been taken in the United Nations to strengthen the co-ordination of information systems. The Council had adopted a number of action-oriented recommendations but nevertheless had not been successful in convincing the agencies of the United Nations system as a whole to give effective support to the efforts of the Inter-Organization Board for Information Systems. Moreover, in 1981, without consulting the competent governmental agencies, ACC had decided to terminate the operational functions of the Board and to abolish its secretariat. The Committee for Programme and Co-ordination and the Economic and Social Council had unanimously requested ACC to review that decision and to submit to the competent governmental agencies recommendations on methods of enhancing, rather than weakening, the co-ordination of information systems.

47. In document E/1982/85, ACC had submitted its conclusions and recommendations as well as the recommendations of two independent experts hired for the purpose. The report had shown clearly how important it was for States and intergovernmental agencies that co-ordination should not be limited to meaningless exchanges of views, as had long been the case. Over the years and in the absence of serious co-ordination among United Nations organs and agencies, more than 400 information systems had been created and, according to the experts, the number of such systems was expected to

increase at the rate of 25 per cent annually. Half of the new systems were computer-based. The capital and annual operating costs of the systems incurred by the agencies had certainly exceeded \$200 million. The experts had stressed the need for end users, namely Member States, particularly the developing countries, to obtain data which all agencies concerned had jointly collected, processed, analysed and submitted in a number of areas and within the capacity of the system. His delegation shared the view of the experts to the effect that co-ordination could not be imposed by fiat or achieved speedily; it was a long-term process.

48. It therefore rested with central organs such as the Economic and Social Council, assisted by CPC, which reported both to the Council and to the General Assembly, and with the General Assembly itself, to ensure that the United Nations system as a whole serviced the community of Member States as effectively as possible.

49. In his view it was basically a question of reaffirming the will of Member States, as stipulated in a number of resolutions, to the effect that further efforts should be made to find means of achieving the necessary co-ordination and agreement in essential areas, particularly development and international economic co-operation.

50. He felt that the experts had produced an excellent analysis but that some of their recommendations were probably premature. As regards the ACC report, what was needed mainly was the will to act and accept true co-ordination in areas of common interest, particularly before new information systems were installed.

51. Mr. SMIRNOV (Union of Soviet Socialist Republics) endorsed the views expressed by the representative of Belgium regarding the co-ordination of information systems in the United Nations system. Efforts to introduce order into that activity had been made for more than 10 years past, but hitherto not much had been achieved. CPC had looked into the question several times and had unearthed several flagrant cases of duplication where the existence of a number of incompatible information systems had been discovered in one single organization or service. It seemed that each organization insisted on having its own computer.

52. He reminded members that, at the Council's second regular session in July 1982, his delegation had only had limited time in which to examine the ACC report (E/1982/85), which had been submitted late; nevertheless, like other delegations, his delegation had put a number of questions to the authors. To date, no replies had been received to those questions. Now that his delegation had had time to consider the report in depth, it was even less convinced that the desired co-ordination could be achieved in the manner proposed by ACC, namely, by setting up six new Secretariat operations.

53. He recalled that, in its resolution 1981/63, the Economic and Social Council had requested the Secretary-General to report on methods of enhancing the co-ordination of the information systems, bearing in mind the recommendations of the Joint Inspection Unit

(A/34/153). The question might well be asked why ACC had taken no account of those recommendations in its report.

54. His delegation would also like to receive fuller information on the conclusions reached by the authors of the report, particularly regarding the concrete modalities for the creation of the new Secretariat operations, the

financial implications of such a step and the results expected. There seemed to be no need to continue consideration of the ACC report during the current meeting until those questions had been answered.

The meeting rose at 5.25 p.m.

53rd meeting

Tuesday, 26 October 1982, at 10.50 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.53

In the absence of the President, Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

AGENDA ITEM 8

Convening of an International Conference on Population in 1984

1. Mr. SALAS (Secretary-General of the International Conference on Population) said that, pursuant to Council resolution 1982/42, he had been in contact with the Government of Mexico regarding its offer to act as host for the Conference. The previous week a planning mission had visited Mexico to discuss arrangements. The Government had indicated that it would agree to the Conference being held in August 1984 and that it would provide facilities at the building which housed the Ministry of External Relations. He intended to report to the Council at its first regular session of 1983 on specific dates and other arrangements for the Conference.

2. Tentative arrangements had been worked out for four expert group meetings in 1983. The meeting on fertility and the family would be held at New Delhi from 5 to 11 January, that on population distribution, migration and development at Tunis from 21 to 25 March, that on population, resources, environment and development at Geneva from 25 to 29 April and that on mortality and health policy at Rome from 30 May to 3 June.

3. Noting that the Council had invited the regional commissions "to consider, at their annual sessions in 1984, the report of the Preparatory Committee for the Conference on its meeting in 1984, with a view to formulating suggestions and recommendations for further implementation of the World Population Plan of Action", he said that the commissions had been kept informed of the proposed arrangements and had been invited to participate in all the expert group meetings.

4. So far \$509,000 had been pledged towards the cost of the Conference. The specific pledges of Governments were: Australia and Italy, \$100,000 each; Colombia, \$44,000; India \$35,000; China, Cuba, Ecuador, Egypt,

Peru, the Philippines, the Syrian Arab Republic and the Yemen Arab Republic, \$25,000 each; Sudan, \$15,000; Pakistan, \$10,000, and Malawi, \$5,000. In addition, the Federal Republic of Germany had offered to support the expert group meeting in Geneva. It would be noted that 13 developing countries had provided a very substantial indication of their commitment to the Conference. He was confident that the fund-raising targets—\$300,000 in 1982, \$700,000 in 1983 and \$500,000 in 1984—would be met.

5. The Council had requested the General Assembly to approve, at its current session, the necessary expenses for the preparation of the Conference in the context of an overall budget of \$2.3 million. As stated in Council resolution 1982/42, the total amount of the resources to be provided from the United Nations regular budget for the Conference should not exceed \$800,000, which would come, to the maximum extent possible, from existing resources.

6. He had been making every effort to ensure that the preparations were based on an integrated approach and that the Conference was organized with the utmost economy. He believed that support for the Conference was increasing and that the latter would offer specific recommendations on how to meet the population challenge.

7. Mr. RODRIGUEZ ARRIAGA (Mexico) said that the progress made in the contacts with the recent planning mission was very encouraging. His Government was determined to ensure that the Conference was held under the most propitious circumstances.

8. Mr. BRUNI (Italy) said that the response from both developed and developing countries had been good. His Government's commitment to the Conference was evidenced by its offer to serve as host for the expert group meeting on mortality and health policy and its pledge of \$100,000.

9. Mr. DIECKMANN (Federal Republic of Germany) confirmed that negotiations had started with his Government concerning one of the expert group meetings and

that agreement had been reached on some major issues. He hoped that an increasing number of countries would respond in the near future to the Secretary-General's requests for funding.

10. All four expert group meetings were to be held within a five-month period, and all suggested that it might be wiser to schedule them at longer intervals. Enough time should be allowed for thorough preparations for the meetings. Moreover, three of the meetings were scheduled during the period when the Secretary-General of the Conference would, as Executive Director of UNFPA, be engaged in preparations for the session of the Governing Council.

11. Mr. HOSKINS (United States of America) welcomed the news that fund-raising efforts were succeeding so that there would be no need to seek more than \$800,000 from the regular budget, and he commended the Secretary-General on the excellent preparations made so far.

12. Mr. AKAO (Japan) said that his Government attached great importance to the forthcoming Conference and was prepared to co-operate in every possible manner in the preparations. Owing to the timing of the budgetary exercise, Japan had not as yet announced its contribution but would endeavour to do so in 1983.

13. Mr. KAABACHI (Tunisia) confirmed that his Government would serve as host for the expert group meeting on population distribution, migration and development.

14. Mr. LAVROV (Union of Soviet Socialist Republics) took note of the information provided by the Secretary-General of the Conference concerning the extrabudgetary resources available and those he expected to receive in the time remaining before the Conference. Reaffirming the position already stated by the socialist group in the Council, he said that any appropriation from the regular budget should be provided within the framework of existing resources and without any increase in the budget.

15. Mr. QUINLAN (Australia) said that his delegation was particularly gratified to see that 13 developing countries had pledged contributions to the Conference. He hoped that his Government's contribution of \$100,000 would encourage others to make comparable contributions. Australia would continue to render whatever assistance it could.

16. Mr. GADEL HAK (Observer for Egypt) said that his Government attached great importance to the Conference, as demonstrated by the \$25,000 it had pledged.

17. The PRESIDENT invited the Council to adopt the following draft decision: "The Council took note of the oral report by the Secretary-General of the International Conference on Population to be held in 1984, made pursuant to its resolution 1982/42 of 27 July 1982."

It was so decided [decision 1982/181].

The meeting rose at 11.30 a.m.

54th meeting

Wednesday, 27 October 1982, at 3.15 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.54

In the absence of the President, Mr. Kamanda wa Kamanda (Zaire), Vice-President, took the Chair.

AGENDA ITEM 9

Regional co-operation (E/1982/111)

1. The PRESIDENT drew the attention of the members of the Council to the report of the Secretary-General on the adequacy of the conference facilities of the Economic Commission for Africa at Addis Ababa (E/1982/111), which had been prepared in accordance with Council resolution 1982/60 of 30 July 1982.
2. Mr. ADEDEJI (Executive Secretary, Economic Commission for Africa) recalled that the Secretary-General had submitted to the Council, at its second regular session of 1982, a preliminary report on the expansion of ECA conference facilities at Addis Ababa (E/1982/83). At that time, the Council had decided to

consider at its resumed second regular session the final report promised by the Secretary-General. That report, which was before the Council, established clearly that the premises that the Government of Ethiopia had donated to the United Nations in 1970 were inadequate. He therefore wished to suggest that the Council should adopt the report and transmit it to the Fifth Committee, so that that Committee might consider it more closely, as anticipated in the document in question.

3. Mr. KAABACHI (Tunisia), Mr. ESAN (Nigeria), Mr. TUAN (Liberia), Mr. JOHNSON (Benin), Mr. RUMECI (Burundi), Mr. ELHASSAN (Sudan) and Mr. SANGARE (Mali) said that they supported the suggestion made by the Executive Secretary of ECA.

4. Mr. ATTAF (Observer for Algeria) said that, since it was only fair that ECA should receive greater support from the United Nations at a time when communications and meetings among African countries were becoming more frequent and intensifying, he wished to call on

members of the Council to join the African countries in deciding by consensus to refer to the report of the Secretary-General to the Fifth Committee, for consideration and action.

5. Mr. WORKU (Ethiopia) said that he wished to give an account of the question before the Committee from the outset. At the time when the Economic and Social Council, in its resolution 671 A (XXV) of 29 April 1958, had established the Economic Commission for Africa and laid down the Commission's terms of reference, there had been no secretariat or conference facilities at Addis Ababa. In fact, the Commission's first session had been held in the Parliament building. In 1961, in order to remedy that state of affairs, his Government had donated land and constructed a conference building and an office building at its own expense. At that time, there had been only 23 African States Members of the United Nations. Since then, as a result of decolonization, the continent of Africa had undergone a rapid transformation and there had been an extraordinary increase in ECA membership, in a period during which the United Nations system had been expanding and the number of regional and international institutions wishing to participate as observers in the Commission's meetings had been growing. It had been becoming obvious that the Commission's facilities were inadequate, and, in his report of 20 November 1969 (A/C.5/1265), the Secretary-General had noted that, owing to its growth, ECA had been experiencing great difficulty in adapting its premises to its meeting requirements, that, as further territories gained independence, ECA membership would probably continue to increase and that the Commission would therefore have to have expanded facilities.

6. The Economic and Social Council, in its resolution 1981/65 of 24 July 1981, had recommended to the General Assembly that a study on the adequacy of ECA conference facilities should be conducted. The General Assembly, in its resolution 36/176, had endorsed that recommendation and requested the Secretary-General to undertake the study in question, as a matter of urgency. Document E/1982/111 therefore simply complied with that resolution. However, it should be stressed that in his report, the Secretary-General strongly emphasized the acute lack of space and facilities and the pointlessness of merely expanding the existing facilities. It was therefore to be hoped that the Economic and Social Council, being aware of how serious the situation was, would adopt the report of the Secretary-General and transmit it to the Fifth Committee, in accordance with the requirements of the situation.

7. Mr. BOYD (United Kingdom) said that the report of the Secretary-General was clear and to the point. Paragraph 10 went straight to the heart of the problem, and paragraphs 12 and 13 gave a clear indication of the procedure to be followed.

8. Mr. DIECKMANN (Federal Republic of Germany) and Mr. FAURE (France) said that they endorsed the remarks made by the preceding speakers. The report should definitely be transmitted to the Fifth Committee for consideration of its financial implications. Their

delegations would pay due attention to the debate on that question.

9. Mr. GOODMAN (United States of America) said that he was in favour of transmitting the report to the Fifth Committee but felt that the Council had not had enough time to consider it, in view of its financial implications.

10. The PRESIDENT, speaking in his capacity of representative of Zaire, said that he wished to pay a tribute to the Executive Secretary and, through him, to the Secretary-General for the excellent report before the Committee. He supported all the observations made. Since he, himself, had lived at Addis Ababa, he knew how urgent it was to expand the facilities of ECA. The matter in question was extremely important, and it was to be hoped that, in response to a legitimate request, the General Assembly would take the appropriate decisions.

11. In his capacity of President, he proposed that the Council should consider the following draft decision:

"The Council took note of the report of the Secretary-General on the adequacy of the conference facilities of the Economic Commission for Africa at Addis Ababa (E/1982/111), prepared in pursuance of its resolution 1982/60 of 30 July 1982, and decided to transmit it, together with the views expressed by delegations during the resumed second regular session of 1982 of the Council, to the General Assembly for consideration at its thirty-seventh session."

12. If he heard no objection, he would take it that the Council wished to adopt that draft decision.

It was so decided [decision 1982/182].

AGENDA ITEM 25

Transnational corporations (concluded) (E/1982/18 and Add.1 and Add.1/Corr.1)

Draft resolution I: Establishment of an Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

13. The PRESIDENT, referring to draft resolution I in chapter I of the report of the Committee on Transnational Corporations on its eighth session (E/1982/18), proposed that paragraph 4 (d) should be replaced by the following text:

"That the members shall be elected for a period of three years, beginning on 1 January following their election, except that, for one half of the members elected at the first election, the term of membership shall be two years; members shall be eligible for re-election;"

It was so decided.

14. Mr. AKAO (Japan) said that the *Ad Hoc* Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting had just fulfilled its mandate and submitted a report to the Commission on Transnational Corporations (E/C.10/1982/8). He therefore believed, without wishing to block

a consensus on draft resolution I, that the Commission on Transnational Corporations should defer consideration of the matters in question, since it had a heavy programme of work. He pointed out that, in accordance with paragraph 1 (m) of its resolution 1982/50, entitled "Revitalization of the Economic and Social Council", the Economic and Social Council should, to the maximum extent possible, refrain from establishing new subsidiary bodies, and drew attention to the fact that draft resolution I was not in keeping with that provision.

15. Mr. KAABACHI (Tunisia) said that he wished to emphasize the need to find a way of solving the basic problem of how to finance participation by representatives of developing countries in the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. If a solution was not found, some representatives from developing countries would be unable to take part in the work of that group, which would then be mostly made up of representatives from developed countries, as had happened in the case of the *Ad Hoc* Intergovernmental Working Group of Experts, which had just fulfilled its mandate.

Draft resolution I, as orally revised, was adopted without a vote [resolution 1982/67].

16. Mr. VELLOSO (Brazil), speaking on behalf of the Latin American States, said that the Latin American States had joined in the consensus without prejudice to their position of principle with regard to the composition of the Intergovernmental Working Group of Experts. The breakdown given in paragraph 4 (b) of the resolution was not the usual one; it was acceptable, however, provided that it did not constitute a precedent.

17. The PRESIDENT announced that the election of the members of the Intergovernmental Working Group of Experts would be held at the same time as the other elections called for under agenda item 29 (Nominations and elections), that is, during the second week of November. He therefore requested all the regional groups to hold the consultations necessary for the election of their members. Since the resolution just adopted provided that in the initial stage, the term of membership of half the 34 members of the Working Group should expire after two years, he suggested that at the November elections, lots should be drawn to decide which countries should have a two-year term effective 1 January 1983, with the other members serving for three years. Consequently, he suggested that of the nine members to be chosen from African States, five should be drawn by lot to serve for two years, that of the seven members chosen from the Asian States, three should be drawn by lot to serve for two years, that of the three members chosen from the socialist States of Eastern Europe, one should be drawn by lot to serve for two years, that of the six members chosen from the Latin American States, three should be drawn by lot to serve for two years, and that of the nine members chosen from the Western European and other States, five should be drawn by lot to serve for two years.

It was so decided.

Draft resolution II: Arrangements for completing the formulation of a draft code of conduct on transnational corporations

Draft resolution II was adopted without a vote [resolution 1982/68].

18. Mr. GOODMAN (United States of America) said that his delegation was opposed to the allocation of additional funds under the regular budget to finance either the special session of the Commission on Transnational Corporations or the meeting of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. If additional funds were required, there should be a redistribution of resources within the limits of approved appropriations.

Draft resolution III: Activities of transnational corporations in southern Africa and their collaboration with the racist minority regime in that area

Draft resolution III was adopted by 31 votes to 2, with 12 abstentions [resolution 1982/69].

19. Mr. BAKALOV (Bulgaria) and Mr. ALSHAMAA (Iraq) said that if they had been present during the voting, they would have voted in favour of draft resolution III.

Draft resolution IV: Public hearings on the activities of transnational corporations in South Africa and Namibia

20. Mr. GADEL HAK (Observer for Egypt) pointed out that the illegal occupation of Namibia by South Africa was continuing, as were the repressive policies practised by the South African minority régime against the African majority. Moreover, transnational corporations, supported by their home countries, were continuing to support that régime against the wishes of the international community and in defiance of the resolutions adopted by the United Nations. His delegation denounced the policy of the inhuman *apartheid* régime in southern Africa and all attempts to sustain that régime. It was the duty of the international community as a whole, and particularly of the countries directly involved, to denounce the racist régime and work towards its elimination. While they appreciated the positive steps taken by some Governments to terminate the activities of the transnational corporations operating under their authority in southern Africa, the African countries deplored the fact that some other countries were continuing to support the South African régime by increasing their investments in South Africa.

21. Against that background, draft resolutions III and IV submitted by the Commission on Transnational Corporations represented legitimate means of fighting the *apartheid* régime and were an integral part of the international campaign to mobilize public opinion, particularly in the countries where transnational corporations operating in South Africa had their home offices. Some delegations might feel that the draft resolutions merely repeated the terms of previous resolutions and were of doubtful value. That repetition was necessary, however, because the objective sought had not yet been achieved. Moreover, it was all the more fitting to adopt those draft resolutions now because the

General Assembly, in its resolution 36/172 B, had proclaimed the year 1982 the International Year of Mobilization for Sanctions against South Africa, and had also adopted resolution 36/172 O, entitled "Investments in South Africa", in which it had urged the Security Council to consider the matter at an early date with a view to taking effective steps to achieve the cessation of further foreign investments in, and financial loans to, South Africa. By adopting the draft resolutions, the Economic and Social Council would be acting in conformity with the expressed desire of the entire international community.

Draft resolution IV was adopted by 34 votes to 2, with 12 abstentions [resolution 1982/70].

22. Mr. IVERSEN (Denmark), speaking on behalf of the States members of the European Economic Community which were members of the Economic and Social Council, said in explanation of vote that those States rejected *apartheid* and favoured a process of peaceful change in southern Africa. With regard to the activities of transnational corporations with headquarters in countries of the Community, they felt that the code of conduct for firms of EEC countries in South Africa, adopted in 1977 to increase the wages of black South African workers, improve their working conditions and guarantee their right of free association, had had a positive influence. However, the States members of the Community had been unable to vote in favour of draft resolutions III and IV because they contained references they found unacceptable and beyond the competence of the Council. He added that the States members of the Community which were members of the Commission on Transnational Corporations had explained their position on the draft resolutions when they had been adopted by the Commission.

23. Mr. AKAO (Japan), explaining his vote, said that it was needless to recall the opposition of the Japanese Government to the South African Government's *apartheid* policy and the measures it had taken to bring the strongest possible pressure on that Government. However, his delegation had abstained in the voting because, while it sympathized with the spirit of the draft resolutions, it considered that the Commission on Transnational Corporations was not competent to deal with the matter.

24. Mr. SMIRNOV (Union of Soviet Socialist Republics), explaining his vote, reaffirmed the active support of his delegation for draft resolutions II, III and IV, which it had already expressed at the eighth session of the Commission on Transnational Corporations, and reiterated his reservations on the programme budget implications of all the Commission's recommendations and all the decisions which the Council had adopted or would adopt on the question.

25. Mr. CARLSON (Canada), explaining his vote, said that the Canadian delegation had abstained in the vote on draft resolution IV, not because it looked with favour on the *apartheid* régime but because it had doubts about the usefulness of holding official public hearings given the political nature of the question. It would have preferred

to have an *ad hoc* group meet and report to the Commission on Transnational Corporations. Furthermore, it felt that the draft resolution somewhat prejudged the question under discussion.

26. Miss MONCADA BERMUDEZ (Nicaragua) said that if she had been present during the voting, she would have voted in favour of draft resolutions III and IV.

27. Mr. ESAN (Nigeria), explaining his vote, pointed out that he had voted for draft resolutions III and IV because they reflected the opposition of his Government to the evils of *apartheid* and racism in southern Africa. The result of the vote on those texts clearly showed that the vast majority of the international community believed that the struggle against *apartheid* should be vigorously pursued and that the activities of transnational corporations in southern Africa were a legitimate sphere of interest of the Commission on Transnational Corporations. His delegation looked forward with interest to the public hearings to be organized by the Commission at its tenth session.

28. Mr. TUAN (Liberia), speaking in explanation of vote, said that his delegation fully supported draft resolutions III and IV. Transnational corporations contributed directly or indirectly to the maintenance of the South African Government's inhuman policy of *apartheid*, and the Commission on Transnational Corporations was fully competent to deal with such matters.

29. Mr. St. AIMEE (Saint Lucia), speaking in explanation of vote, said that no effort should be spared to end the deplorable situation obtaining in southern Africa, and the two resolutions which had just been adopted were conducive to that goal. It had been said that transnational corporations contributed not only to the economic development of developing countries but also to the development of the international community as a whole. Since South Africa was part of that international community, the activities of transnational corporations therefore promoted its development and thus hindered its political evolution. It was with that in mind that his delegation had voted in favour of the two draft resolutions.

Draft decision I: Date of the ninth session of the Commission on Transnational Corporations

30. The PRESIDENT said that, in view of the provisions of Council resolution 1982/50 on the revitalization of the Economic and Social Council, and in an attempt to end the practice of holding resumed sessions of the Council, the Bureau recommended that the ninth session of the Commission on Transnational Corporations should be held at Headquarters from 20 to 29 June 1983.

31. Mr. SCHILLER (Observer for Sweden) said he was afraid that if the dates of the ninth session of the Commission were brought forward as proposed by the Bureau, the interval between the special session on the code of conduct and the ninth regular session would be too short for the Secretariat to prepare the necessary documentation. He therefore proposed that the draft

decision should be adopted as it appeared in the Commission's report.

32. Miss DANIELSEN (Norway) agreed with the observer for Sweden that draft decision I should be adopted as it stood. As she had no instructions from her Government concerning any change in the dates of the Commission's ninth session, she proposed that a decision should be deferred until November.

33. Mr. IVERSEN (Denmark) said that he found the Bureau's proposal entirely logical. The current practice should be ended, and the Commission on Transnational Corporations should try to finish its work before the Council's second regular session of 1983, or, in other words, by late June or early July. In his view, a decision in principle should be taken forthwith. He did not doubt that the Commission had had valid reasons for postponing the dates of its ninth session, and it might be advisable to ascertain what those reasons were before taking a final decision. If the new dates proposed by the Bureau would cause difficulties for the Commission, perhaps it would be possible to make an exception for 1983 or at least to wait until the Council's first regular session of 1983 before taking a final decision.

34. Mr. VELLOSO (Brazil) said all the countries of Latin America agreed that the Council should not arrange its programme of work for the convenience of its subsidiary bodies; rather, they should organize their work around the Council's programme. The Bureau's proposal was therefore quite logical, and nothing would be gained by waiting until the first regular session to take a decision on the matter. A decision should be taken forthwith.

35. Mr. LAVROV (Union of Soviet Socialist Republics) said that he fully agreed with the remarks of the representative of Brazil. He did not see why the decision on the dates of the ninth session of the Commission on Transnational Corporations should be deferred. It was important to know the dates of that session now, so that the experts could make the necessary preparations. Moreover, he failed to see why the holding of a special session should hinder preparations for the regular session, since the two sessions were concerned with different matters. In any event, it seemed preferable to him that the sessions of subsidiary bodies should be scheduled in such a way as to facilitate the work of the Council, not to complicate it.

36. Mr. KAABACHI (Tunisia) agreed with the representative of Brazil that subsidiary bodies should adjust their schedules to that of the Economic and Social Council, and not the reverse. It was essential to return to the former practice and ensure that the Commission on Transnational Corporations met before the second regular session of the Council.

37. Mr. FAURE (France) said that in substance he shared the view expressed by the Brazilian and other representatives. It did seem desirable for subsidiary bodies to take account of the Council's calendar of meetings, but he wondered whether it was possible to take a decision on the matter there and then, before even ascertaining the reasons why the Commission on

Transnational Corporations had once again set unusually late dates for its 1983 session. Perhaps, therefore, the Council could wait until November before taking a final decision, since it would be meeting then to consider other items and to hold elections. While it seemed undesirable to postpone a decision until the Council's first regular session, no great inconvenience would be caused by waiting another week or two.

38. Mr. CARLSON (Canada) endorsed the views expressed by the Brazilian and French delegations. Deferring the decision on the dates of the ninth session of the Commission on Transnational Corporations would be contrary to the revitalization effort decided on by the Council. It should also be borne in mind that the experts involved had to know the dates as soon as possible in order to prepare their work. He therefore agreed with the Bureau's proposal.

39. Mr. SEVAN (Secretary of the Council) pointed out that if the Council had to hold a resumed second regular session in 1983, as would be the case if the dates proposed in the Commission's report were retained, that might adversely affect the work of the General Assembly itself, and in particular of the Second Committee. Moreover, if the members of the Council decided to wait until the first regular session, which would be held in May 1983, to take a final decision on the dates of the ninth session of the Commission, they should not overlook the documentation problem, namely that the relevant documents had to be submitted to the Secretariat at least six weeks in advance. In other words, if the ninth session of the Commission was to be held in June, the documents would have to be ready by 11 April at the latest. There should not, therefore, be too long a delay in taking a decision.

40. Mr. DIECKMANN (Federal Republic of Germany) said he would like to know whether the Commission had postponed its ninth session until late August or early September for technical reasons.

41. Mr. SAHLGREN (Executive Director, United Nations Centre on Transnational Corporations) said that the reasons why the members of the Commission on Transnational Corporations had recommended that their ninth session should be held in late August were, firstly, that the Commission had on two or three occasions in the past, held its regular session in the autumn, and, secondly, that the members of the Commission had not wanted the special session and the regular session to be too close together, even though the report of the special session was in fact to be submitted directly to the Economic and Social Council and not to the Commission at its regular session. A third reason had been that the Secretariat wanted more time to submit to the Commission the third integrated study on transnational corporations in world development. The study involved quite an amount of work every four years, and the Commission had requested the Secretariat to submit it four months before the session. Thus, if the Council decided that the ninth regular session of the Commission should be held in June, the Secretariat—that is to say, the United Nations Centre on Transnational Corporations—

would have to hurry to get the study out in time, and some of its other work might suffer.

42. Mr. DIECKMANN (Federal Republic of Germany) said he agreed with the French representative's suggestion that it would be advisable to wait until November before taking a decision, especially as that would give him time to obtain instructions from his Government. Nevertheless, in substance, he still agreed with the representative of Brazil.

43. Mr. PIRSON (Belgium) said he agreed with the representative of Brazil that it was important to put some order into the meeting arrangements of the Council's subsidiary bodies. The question of the dates for the ninth session of the Commission on Transnational Corporations provided the Council with an immediate opportunity to do some restructuring. As the Executive Director of the Centre on Transnational Corporations had pointed out, the report of the Commission's special session on the draft code of conduct would be submitted directly to the Economic and Social Council, and not to the Commission at its ninth session. The Commission's programme of work would thus be less heavy than usual and it could easily hold its regular session in late June, or even earlier, because, if it met at the end of June, as proposed by the Bureau, it would not have time to submit a very detailed report to the Council at its second regular session. It would therefore be preferable for it to meet even earlier than was proposed by the Bureau, so that it could prepare a fuller report. Apart from that, he entirely agreed with the position taken by the Bureau and the representative of Brazil.

44. Mr. LAVROV (Union of Soviet Socialist Republics) reviewed the provisions of draft resolution II relating to completion of the formulation of a draft code of conduct on transnational corporations and the holding of a special session of the Commission, which the Council had adopted earlier in the meeting, and noted that the resolution at no point called upon the United Nations Centre on Transnational Corporations to prepare a report for the Commission, the Centre was simply requested to ensure that all States were provided with the necessary documentation—which already existed—in order to facilitate their participation in the special session. He did not, therefore, believe that the special session would substantially increase the Centre's workload and did not see why the holding of the ninth regular session of the Commission should be delayed. He accordingly agreed with other delegations that the Bureau's recommendation should be approved.

45. The PRESIDENT said that the Bureau had made its recommendation with due regard to all aspects of the question and after lengthy consultations with the members of the Council. He therefore suggested that, if there were no major objections, draft decision I, as orally amended, should be adopted.

Draft decision I, as orally amended, was adopted without a vote [decision 1982/183].

Draft decision II: Provisional agenda and documentation for the ninth session of the Commission on Transnational Corporations

46. Mr. VELLOSO (Brazil) said he would like to know what the report mentioned under item 3 of the provisional agenda for the ninth session of the Commission would cover, in view of the fact that it had just been stated that the report on the special session of the Commission would be submitted directly to the Economic and Social Council and not to the Commission at its ninth regular session.

47. Mr. SAHLGREN (Executive Director, United Nations Centre on Transnational Corporations) said that, while it was true that at its ninth session the Commission would not deal substantively with the work of the special session, it would nevertheless take note of the progress made in the negotiations at that session.

48. The PRESIDENT said that, if there was no objection, he would take it that the Council wished to adopt draft decision II.

Draft decision II was adopted without a vote [decision 1982/184].

The Council took note of the report of the Commission on Transnational Corporations on its eighth session [decision 1982/185]

AGENDA ITEM 20

International co-operation and co-ordination within the United Nations system (*continued*) (E/1982/85, E/1982/87)

49. The PRESIDENT invited the Vice-Chairman of the Third (Programme and Co-ordination) Committee to report on the negotiations he had conducted.

50. Mr. ELHASSAN (Sudan) said that the question was a very complex one, requiring lengthier consultations than had been held so far. It had nevertheless been possible to draft an informal text, which was ready to be circulated to the members of the Council. However, he was sure that if the Council authorized him to continue negotiations until the second week in November, it would be possible by then to produce a final text. That extra time would also allow delegations wishing to do so to obtain further instructions from their Governments.

51. The PRESIDENT said he agreed with the representative of the Sudan, and suggested that the Council should resume its consideration of the question of the strengthening of the co-ordination of information systems in the United Nations system at its next meeting.

It was so decided.

52. The PRESIDENT drew attention to the report of ACC on expenditures of the United Nations system in relation to programmes (E/1982/87) and said that, if there was no objection, he would take it that the Council wished to take note of that report.

It was so decided [decision 1982/186].

AGENDA ITEM 2

Adoption of the agenda and other organizational matters (*continued*) (E/1982/15 and Corr.1 and 2)

53. The PRESIDENT recalled that, in its decision 1982/177, the Council had taken note of the report of the

Committee for Development Planning on its eighteenth session (E/1982/15 and Corr.1 and 2). Referring to paragraph 111 of the report, he said that it was now proposed that the meeting of the working group on development patterns and styles, which had originally been scheduled for Headquarters in early December 1982, should take place at Santiago from 10 to 14 January 1983.

54. Mr. SEVAN (Secretary of the Council) said that the change of venue for the meeting of the working group in order to take advantage of the expertise of the Economic Commission for Latin America in that field would entail no additional expenditure; since the working group would use only one language in its discussions, there would be no interpretation costs, and ECLA would provide the necessary facilities without additional cost. The increased travel expenses arising from the change of venue could be met from the resources released through the cancellation of a number of meetings in 1982.

55. Mr. LAVROV (Union of Soviet Socialist Republics) said he regretted that the information provided by the Secretary had not been given to delegations earlier. He was not flatly opposed to the Secretary's proposal but would prefer to wait until November before taking a final decision on the question, since the proposal was new and required careful consideration.

56. The PRESIDENT said that, if there was no objection, he would take it that the Council agreed to defer consideration of the matter until its next meeting, to be held in November.

It was so decided.

57. The PRESIDENT noted that, under article 4 of the regulations governing the United Nations Population Award, adopted by the General Assembly in its resolution 36/201, the Council was to elect, as members of the Committee for the United Nations Population Award, 10 representatives of States Members of the United Nations for a period of three years, with due regard to the principle of equitable geographical representation and the need to include those Member States that had made contributions for the Award. Following their informal consultations on the question, the regional groups concerned had reported that the following allocation of seats had been agreed upon, without prejudice to the respective positions of the regional groups on the principle of equitable geographical distribution: three seats for the African States; two and a half seats each for the Asian States and the Latin American States, to be apportioned as decided by the groups themselves; one seat for the Western European and other States; one seat for the socialist States of Eastern Europe. He asked the regional groups to inform the Secretariat as soon as possible of the names of their candidates, so that the elections could be held in November 1982.

58. He announced that the next meeting of the resumed second session, at which all outstanding questions, including agenda item 29, would be considered, would be held on Tuesday, 9 November 1982.

The meeting rose at 5.15 p.m.

55th meeting

Tuesday, 9 November 1982, at 11.55 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.55

AGENDA ITEM 20

International co-operation and co-ordination within the United Nations system (*continued*) (E/1982/85)

1 The PRESIDENT gave the floor to the representative of Sudan, who, as Vice-Chairman of the Third (Programme and Co-ordination) Committee, would inform the Council of the results of the informal consultations held under his chairmanship on the question of strengthening the co-ordination of infor-

mation systems in the United Nations system.

2. Mr. ELHASSAN (Sudan), speaking as Vice-Chairman of the Third (Programme and Co-ordination) Committee, said that the delegations participating in the informal consultations had not yet concluded consideration of the draft resolution, as there remained a few outstanding paragraphs on which agreement must be reached. The informal consultations would resume immediately after the present meeting and he thought that it would then be possible to arrive at a definitive text of the draft resolution, which could be submitted to the Council for formal adoption at its next meeting.

AGENDA ITEM 2**Adoption of the agenda and other organizational matters
(continued) (E/1982/L.53)**

3. The PRESIDENT asked if any delegation wished to comment on the proposal that the meeting of the working group on development patterns and styles of the

Committee for Development Planning should be held at Santiago (see 54th meeting). If there was no objection, he would take it that the Council approved the change of venue of the meeting.

It was so decided.

The meeting rose at 12 noon.

56th meeting

Wednesday, 10 November 1982, at 11.40 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR 56

AGENDA ITEM 20

International co-operation and co-ordination within the United Nations system (*continued*) (E/1982/85, E/1982/L.55)

1. Mr. ELHASSAN (Sudan), introducing draft resolution E/1982/L.55, which was the result of informal consultations held on 9 November 1982 on the strengthening of the co-ordination of the information systems in the United Nations system, said that consensus had not been reached on operative paragraph 3. The problems stemmed partly from the fact that delegations had originally been under the mistaken impression that budget appropriations had been made for the item relating to the Inter-Organization Board for Information Systems and Related Activities for 1982 and that that had later been found not to be so. In the circumstances, he wondered whether it was still necessary to hear a statement from the representative of the Budget Division on the financial implications of the proposal.

2. He drew attention to the importance of the functions to be performed by the new mechanism and urged delegations to do their utmost to have it established as soon as possible, especially since not much time remained before July 1983, when the second regular session of the Council was to be held.

3. Mr. HANSEN (Assistant Secretary-General for Programme Planning and Co-ordination), referring to operative paragraph 3 of the draft resolution (E/1982/L.55), said that the expenditures envisaged in the estimates submitted to ACC for 1983 were based on the proposed budget for IOB for 1982-1983, which had been approved for both years by most of the agencies in the system but only for 1982 by the United Nations itself, in expectation of a decision concerning IOB. The only problem was the status of those funds in the budget of the United Nations. Those resources were not as yet included in the proposed budget, but if it was decided that IOB was to continue its operations, the funding would probably be

proposed through the channels for submitting revised budget estimates.

4. Consequently, the text of operative paragraph 3 of the draft resolution was correct, and no provision should be made for additional expenditure over and above the estimates submitted to ACC, which amounted to \$686,000. The only question still to be answered was when the funds to cover the part of that amount to be borne by the United Nations would be included in the United Nations budget.

5. Mr. GOODMAN (United States of America) said that the problem might be solved by adding, after the words "for 1983" in paragraph 3, the words "and should be funded out of existing resources". The words "and that" would be deleted and "In future years" would start a new sentence.

6. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his delegation had supported the draft resolution in the informal consultations but had realized afterwards that the consultations had been relying on incorrect information. With regard to operative paragraph 3 of the draft resolution, the participants in the consultations had believed that the programme budget already included an item for IOB for 1983, but it had since become clear that that was not so. Consequently, in accordance with the rules of procedure of the General Assembly, the Secretariat would have to submit a statement on the administrative and financial implications of the adoption of draft resolution E/1982/L.55.

7. He supported the amendment to operative paragraph 3 proposed by the representative of the United States.

8. Mr. ELHASSAN (Sudan), again referring to operative paragraph 3 of draft resolution E/1982/L.55, explained that the estimates submitted to ACC had been based on the expenditure for IOB in the preceding year. The total amount was slightly over \$680,000, of which the United Nations share would be slightly more than \$100,000. Neither the \$100,000 for the United Nations nor the \$680,000 for the whole system were much to pay

for co-ordinating and increasing the efficiency of information systems on which billions of dollars were being spent. It should also be remembered that if the central mechanism operated efficiently, hundreds of millions of dollars would be saved.

9. Mr. PIRSON (Belgium) said that, in his view, it was superfluous specifically to invite ACC, in operative paragraphs 4 and 5 of draft resolution E/1982/L.55, to take appropriate action to ensure the continuation of current activities supporting the co-ordination of information systems and to submit a report on the implementation of the resolution to the Economic and Social Council for consideration at its second regular session of 1983, since he had no doubt that ACC would do so without being asked. He understood the reservations of some delegations concerning the budget problem raised by operative paragraph 3, but in his opinion the problem was a purely technical one, and in any case the resources released by savings on two posts (D-2 and P-5) in IOB in 1981 and 1982 must be taken into account. He accordingly urged that the problem be submitted for consideration by the Secretary-General and subsequently by the Fifth Committee, which, after receiving the opinion of the Advisory Committee on Administrative and Budgetary Questions, would have to decide on the matter. He asked the members of the Council to support the draft resolution, which was bound to have very favourable consequences.

10. Mr. SMIRNOV (Union of Soviet Socialist Republics), referring to the statement by the representative of Sudan, stressed that the Secretariat must submit a statement on the administrative and financial implications of the draft resolution if his delegation was to be able to take a definitive position on the matter. Mr. Elhassan's statement had been very useful, but the rule was that the exact cost estimates had to come from the Secretariat. In that connection, he asked whether a division of labour prevailed in the Secretariat with regard to the preparation of statements on administrative and financial implications. He also thought that the sum of \$680,000 was large enough to justify the statement of financial implications requested by his delegation. With regard to the statement by the representative of Belgium, he said that, while he did not question the efficiency of ACC, the invitations in operative paragraphs 4 and 5 of the draft resolution were not superfluous. Lastly, he pointed out an error in the Russian text of paragraph 4, which referred to the Advisory, instead of the Administrative, Committee on Co-ordination, and asked for the necessary correction to be made.

11. Mr. HANSEN (Assistant Secretary-General for Programme Planning and Co-ordination), replying to the question by the Soviet representative, said that there was a division of labour with regard to the preparation of statements on financial implications, although in general that task was entrusted to the Budget Division of the Secretariat. That Division had already begun to prepare the statement of financial implications for draft resolution E/1982/L.55 so that it would be available to the members of the Council that afternoon. In that connection, a

distinction must be made between two separate but interrelated problems. The first was the expenditures relating to the programme of work of IOB. As the representative of Belgium had rightly pointed out, of the four posts on the IOB manning table, two senior posts had been held over to 1983, resulting in a saving of over 50 per cent of the salary of staff on the IOB manning table in 1982. That situation would be taken into account in the overall programming of the work of IOB and in the overall funding of that programme. Secondly, he wished to clarify the matter of the United Nations contribution to the programme of work of IOB, which was financed jointly by various agencies of the United Nations system. Even if one accepted the argument that savings had been made in 1982 which would be carried over to the 1983 budget, other agencies within the system might not be willing to absolve the United Nations from paying its share of the expenditures of IOB for 1983. When the Budget Division had analysed the relevant sections, it would be possible to determine what proportion of the United Nations share, which was equal to 33 per cent of \$600,000, could be absorbed and what amount would have to be presented as additional estimates for 1983, just as it had been indicated would be done when the budget for 1982-1983, which had simply given budgetary proposals for 1982 with regard to IOB, had been presented in 1981.

12. Miss DANIELSEN (Norway) said that, like the representative of Belgium, she could accept the text of draft resolution E/1982/L.55 as it was.

13. Mr. KAABACHI (Tunisia) said that he joined the Soviet representative in requesting that the Council defer its decision on the draft resolution. Since delegations had only received the draft resolution in all languages that morning, sufficient time should be allowed for them to examine it and take a decision thereon.

14. Mr. ELHASSAN (Sudan) said that his previous statement was not to be interpreted as a statement of the financial implications of draft resolution E/1982/L.55. He apologized therefore to the Soviet representative for having caused that confusion. As the Assistant Secretary-General had indicated, a special division of the Secretariat would be responsible for submitting the corresponding financial implications.

15. Mr. PURUSHOTTAM (India), referring to the amendment proposed by the representative of the United States to operative paragraph 3 of draft resolution E/1982/L.55, requested clarification as to the precise meaning of the expression "existing resources". If no appropriations were envisaged for IOB in 1983, he wondered if that meant that "existing resources" were equivalent to zero, in other words that there were no resources available.

16. Mr. GOODMAN (United States of America) said that his delegation simply wished to ensure that there would be no additional expenditures under the overall budget for 1983 as a result of the draft resolution currently under consideration.

17. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that, when he had supported the amendment proposed by the United States representative, he had understood that the expression "existing resources" did not mean "zero resources" but referred to resources available under the approved budget which could be used by reallocating savings from previous years. The statement on the administrative and financial implications of implementing draft resolution E/1982/L.55 must be submitted in accordance with the various General Assembly resolutions on that subject.

18. Mr. PURUSHOTTAM (India) said that no one could deny the need for a statement to be submitted on the financial implications of the draft resolution and requested the Secretariat to indicate clearly in that statement whether additional funds would be available for the implementation of the draft resolution within the limits of existing resources, through the reallocation of funds, readjustments, the use of earlier savings, etc. If that was not the case, that fact must be indicated clearly in the financial implications.

19. Mr. HANSEN (Assistant Secretary-General for Programme Planning and Co-ordination) reiterated that the Budget Division would be presenting the requested statement of financial implications shortly. He wished to point out in that connection that there had been no change in the estimates submitted to ACC. Rather, it was a question of determining how the United Nations contribution to the funding of the work of IOB would be covered, in other words, whether that share could be covered from savings from previous years or whether additional financial implications would have to be envisaged.

20. The PRESIDENT observed that the Council had two proposals before it: firstly, that the meeting should

rise and the debate be resumed at the afternoon meeting, and secondly, that a statement should be submitted on the financial implications of the draft resolution. Furthermore, in view of the consultations taking place on the proposals for candidatures and elections, he suggested that the consideration of agenda item 29 should be postponed to that afternoon's meeting. If he heard no objection, he would take it that the Council agreed to those suggestions.

It was so decided.

Other matters

21. The PRESIDENT read out a letter which he had received from the Director-General of UNESCO inviting him to attend the forthcoming special session of the UNESCO General Conference, which would be considering UNESCO's draft Medium-Term Plan for 1984-1989. On behalf of the Council, he wished to thank the Director-General of UNESCO for the invitation, which was in keeping with the objectives and spirit of Economic and Social Council resolution 1982/50 on the revitalisation of the Council with a view to strengthening co-ordination between the Council's programme of work and the programmes of the organs, organizations and bodies of the United Nations system. Due to prior commitments, he would be unable to attend all the meetings of the General Conference but would be able to be present for five working days. If he heard no comments on the subject, he would take it that the Council agreed to accept the invitation from the Director-General of UNESCO.

It was so decided.

The meeting rose at 12.25 p.m.

57th meeting

Wednesday, 10 November 1982, at 3.45 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.57

AGENDA ITEM 29

Nominations and elections (E/1982/110)

NOMINATIONS OF MEMBERS OF THE WORLD FOOD COUNCIL

1. The PRESIDENT said that, in accordance with paragraph 8 of General Assembly resolution 3348 (XXIX), the Council was required to nominate 12 members for election by the General Assembly at its thirty-seventh session to fill the vacancies on the World Food Council that would occur on 31 December 1982. The term of office would be three years, beginning on 1 January 1983. There were three vacancies for African

States, two for Asian States, three for Latin American States, two for socialist States of Eastern Europe, and two for Western European and other States. The respective regional groups had proposed the following candidates: Ethiopia, Ghana and Nigeria; Bangladesh and United Arab Emirates; Ecuador, Nicaragua and Venezuela; German Democratic Republic and Union of Soviet Socialist Republics; Australia and Federal Republic of Germany. As the number of candidates in each group was equal to the number of vacancies, he would, if he heard no objection, take it that the Council wished to submit the nominations of those candidates to the General Assembly for election.

It was so decided [decision 1982/187].

COMMISSION FOR SOCIAL DEVELOPMENT

2. The PRESIDENT said that on the Commission for Social Development there were two vacancies for Latin American States for a four-year term, beginning on 1 January 1983. If he hear no objection, he would take it that the Council wished to elect Argentina and Ecuador, the only two candidates.

*It was so decided.**

COMMISSION ON HUMAN SETTLEMENTS

3. The PRESIDENT said that no candidacies had been submitted for the vacancies on the Commission on Human Settlements. He therefore proposed that the election should be postponed until a future session.

It was so decided.

COMMITTEE ON NATURAL RESOURCES

4. The PRESIDENT said that the candidacy of Thailand had been proposed for one of the vacancies. He invited the Council to elect Thailand for a four-year term, beginning on 1 January 1983, and to postpone the election to fill the remaining vacancies until a future session.

*It was so decided.**

COMMISSION ON TRANSNATIONAL CORPORATIONS

5. The PRESIDENT said that the candidacy of Cyprus had been proposed for one of the vacancies. He invited the Council to elect Cyprus for a three-year term beginning on 1 January 1983, and to postpone the election to fill the remaining vacancies until a future session.

*It was so decided.**

AGENDA ITEM 20

International co-operation and co-ordination within the United Nations system (concluded) (E/1982/85, E/1982/L.55, E/1982/L.56)

6. The PRESIDENT pointed out that the Council had before it draft resolution E/1982/L.55 and a note by the Secretariat (E/1982/L.56) on the administrative and financial implications of that draft resolution. At the previous meeting the representative of the United States of America had proposed that operative paragraph 3 of the draft resolution should be amended by replacing all the words after "1983" by "and should be funded out of existing resources. In future years, work of this nature should be carried out with maximum cost-effectiveness".

7. Mr. ELHASSAN (Sudan) said that, as the Vice-Chairman of the Third (Programme and Co-ordination) Committee who had submitted the draft resolution, he

could not accept the amendment proposed by the representative of the United States.

8. Mr. PIRSON (Belgium) said that, according to his calculations, there should be resources available in the budget to meet the cost of the work envisaged in the draft resolution. It would be logical for the Secretary-General to review the budget estimates corresponding to the proposals he intended to submit to the Fifth Committee and, thus, to ACABQ, should draft resolution E/1982/L.55 be adopted. Since the level of the funds that the Secretary-General intended to request was higher than necessary, he would abstain if the United States amendment was put to the vote.

9. Mr. GOODMAN (United States of America) said that the financial resources required for the "mechanism" envisaged in draft resolution E/1982/L.55 could be made available as a result of savings and redeployment of resources from other programmes within the budget section in question. He drew attention to the fact that the report of the Secretary-General on the special review of the ongoing work programme of the United Nations (A/36/658) contained a long list of activities in section 28 of the budget alone that could be modified with a view to economizing on financial resources.

10. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his position with regard to the note by the Secretariat (E/1982/L.56) coincided in part with that of the representative of Belgium. In any event, information on the administrative and financial implications of proposals should be submitted not only in cases in which a new form of activity was being proposed and new expenditure was required, but also when an activity had been discontinued and administrative and financial resources had not been fully utilized. Such resources should not automatically be carried over. His delegation was therefore not satisfied with document E/1982/L.56.

11. Mr. BEGIN (Director, Budget Division), referring to the statements made by the representatives of the Soviet Union and the United States, said that it was the Secretariat's duty to provide the kind of information given in document E/1982/L.56. When a decision was to be taken on a draft resolution that might involve additional expenditure, the statement of financial implications had to include projected costs. Similarly, if an activity was to be eliminated, information on possible savings had to be provided. However, when the Fifth Committee was to be asked to take a decision on financial implications, ACABQ might recommend, for example, that the Secretariat should absorb certain costs, and that issue would then be taken up by the Fifth Committee. However, as matters stood, it was not appropriate for the Secretariat to indicate where it might be possible to make savings with respect to the matter under consideration. He could only confirm the information set forth in document E/1982/L.56.

The meeting was suspended at 4.10 p.m. and resumed at 4.40 p.m.

Mr. Gilberto C. Paranhos Velloso (Brazil), Vice-President, took the Chair.

See decision 1982/188

12. Mr. ELHASSAN (Sudan), speaking as Vice-Chairman of the Third (Programme and Co-ordination) Committee, said that, since there was no consensus on draft resolution E/1982/L.55, he was withdrawing it.

13. Speaking as the representative of Sudan, he said that he was reintroducing draft resolution E/1982/L.55, in accordance with rule 55 of the rules of procedure, on behalf of the delegations of India, Jordan, Norway, Tunisia and Yugoslavia, the observer for Sweden and his own delegation.

14. Mr. GOODMAN (United States of America) proposed that in operative paragraph 3 of the re-introduced draft resolution, the words "and that, in future years" should be replaced by "and should be funded out of existing resources. In future years".

15. Mr. FAREED (Pakistan) said that his delegation endorsed the statement made by the representative of Sudan and wished to join the sponsors of draft resolution E/1982/L.55. If the amendment proposed by the representative of the United States was put to the vote, Pakistan would vote against it.

16. Mr. ESAN (Nigeria), Mr. TUAN (Liberia), Mr. DON NANJIRA (Kenya) and Mr. KAZI (Bangladesh) said that they fully supported operative paragraph 3 as it stood and wished to join the sponsors of the draft resolution.

17. Mr. EHRMAN (United Kingdom) said that CPC, in its report on the work of its twenty-first session (A/36/38), had recommended that the financial and programme implications of draft resolutions should be brought to the attention of intergovernmental bodies before they made their decisions, and the General Assembly had approved that recommendation. He pointed out that the programme implications of draft resolution E/1982/L.55 had not been submitted to the Council.

18. Mr. HANSEN (Assistant Secretary-General for Programme Planning and Co-ordination) replied that the Secretariat had not yet worked out a system for integrating the financial and programme implications of proposed decisions in a single statement, and that it was working on the matter.

19. The PRESIDENT said that, in view of the amount of time the Council had spent on the draft resolution, he hoped that when it was taken up by the General Assembly, the Secretariat would endeavour to provide as much information as possible.

20. He invited the Council to vote on the oral amendment proposed by the representative of the United States of America to operative paragraph 3.

The amendment was rejected by 31 votes to 9, with 11 abstentions.

Draft resolution E/1982/L.55 was adopted by 47 votes to 5, with 2 abstentions [resolution 1982/71].

21. Mr. PALAZZO (Brazil) said that he had been astonished to learn, in the course of the meeting, that the estimates referred to in paragraph 3 were non-existent and that the adoption of the draft resolution would

therefore necessitate additional appropriations. Accordingly, his delegation wished to reserve its position until the proposal was brought up in the Fifth Committee.

22. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his delegation had been prepared to support the draft resolution. However, the submission of new information which implied that not only would there be substantial financial implications for the programme budget for the biennium 1982-1983 but also that there were likely to be requests for even larger amounts in the future had compelled his delegation to vote against it. In so doing it had been guided by its position of principle on the need to curb the constant growth of the budget. It was unfortunate that the proposal to finance intensified co-ordination activities without an increase in resources had not been supported. He maintained his earlier comments with regard to the financial implications.

23. Mr. STEFANINI (Italy) said that, although he had been given to understand during the informal consultations that the adoption of the draft resolution would not involve additional costs, the statement on financial implications which the Council had received contradicted that understanding. His delegation had voted in favour of the United States amendment and, although the amendment had been rejected, had voted in favour of the draft resolution because it supported its intent. It would act accordingly when the matter was taken up in the Fifth Committee.

24. Mr. DE LA TORRE (Argentina) said that he had voted in favour of the draft resolution and against the amendment, as that was the only logical course. The draft resolution provided for an administrative mechanism with particular functions that had been discussed at length. If the mechanism was to be able to perform the functions in question, it could only be within the context of the draft resolution as submitted by the sponsors.

25. Mr. GOODMAN (United States of America) said that his delegation applauded the substance of the draft resolution; the need for a central mechanism to advise on information systems was obvious. It was particularly pleased that the mechanism, as it was described in the proposal, would involve Member States, the end users of the data produced by the various systems. Had his delegation's decision been guided purely by the substance, it would have voted in favour of the draft resolution. However, since it took biennial budgeting very seriously and felt that once the budget had been approved no additional funding should be sought during the biennium, it could not accept a series of minor additions, the cumulative effect of which would be to increase the assessments of all Member States. Accordingly, his delegation had had to vote against the draft resolution on strictly fiscal grounds.

26. Mr. PIRSON (Belgium) said that it was unfortunate that lack of financial data had led to last-minute difficulties despite the Committee's consensus concerning the purpose of the draft resolution. His delegation would explore every means of having the co-ordination mechanism in question financed through savings elsewhere when the draft resolution came before the Fifth

Committee. He suggested that ACC should be informed that the Council expected it to take appropriate measures to implement the resolution immediately and that it should therefore not defer the matter until its following session, which was scheduled for April 1983.

27. Mr. AKAO (Japan) said that he regretted that during the informal consultations members of the Council had been misled regarding the financial implications of the draft resolution. His delegation had supported the United States amendment and had been compelled to abstain in the vote on the draft resolution even though it agreed with the aim of that document. He hoped that ACABQ would be informed of the views expressed in the Council.

28. Mr. ELHASSAN (Sudan) said that he regretted that the Council had had to vote on the draft resolution. His delegation had been able to accept the financial

implications of the draft resolution because it knew that there was a consensus on its substance and felt that the resources would be well spent.

AGENDA ITEM 2

Adoption of the agenda and other organizational matters (concluded)

29. The PRESIDENT suggested that the Council should discontinue the practice of holding resumed second regular sessions as from 1983.

It was so decided [decision 1982/189].

The meeting rose at 5.15 p.m.

58th meeting

Thursday, 11 November 1982, at 11.05 a.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.58

***Tribute to the memory of Mr. Leonid Ilyich Brezhnev,
President of the Presidium of the Supreme Soviet of the
Union of Soviet Socialist Republics and General Secretary
of the Central Committee of the Communist Party of the
Soviet Union***

1 The PRESIDENT said that he wished to express the deep sympathy of Council members at the death of Mr. Leonid Ilyich Brezhnev, and he requested the delegation of the Soviet Union to transmit the sincere condolences of the Council to the Government and people of the Soviet Union and to the family of the late distinguished statesman.

On the proposal of the President, the members of the Economic and Social Council observed a minute of silence in tribute to the memory of Mr. Leonid Ilyich Brezhnev, President of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and General Secretary of the Central Committee of the Communist Party of the Soviet Union.

2. Mr. BAKALOV (Bulgaria), speaking on behalf of the Group of socialist States of Eastern Europe, expressed the most sincere and deepest condolences on the occasion of the death of Mr. Leonid Ilyich Brezhnev to the delegations of the Union of Soviet Socialist Republics and the Soviet Socialist Republic of Byelorussia and, through them, to the Government and people of the Soviet Union. The name of Comrade Brezhnev and his untiring efforts as General Secretary of the Central Committee of the Communist Party of the

Soviet Union and President of the Presidium of the Supreme Soviet of the USSR were justifiably linked with the constant and consistent affirmation of Leninist principles in political and State life and with the perfecting of socialist democracy. Mr. Brezhnev had played a fundamental role in the elaboration and execution of the political and economic strategy of the Communist Party of the Soviet Union at the stage of developed socialism. He had made great contributions to the formulation and application of the policy of the Soviet Union at the international level, a policy of peace, peaceful co-operation, détente and disarmament. He had also made a very great contribution to the cohesiveness of the movement of world socialist brotherhood and to the advancement of the international communist movement. The life and work of Comrade Brezhnev would always constitute an illustrious example of faithful service to the ideals of peace, co-operation, justice and humanism.

3. Mr. BOYD (United Kingdom) said that 11 November was traditionally a day of sombre and silent reflection for the members of the Group of Western European and other States, on whose behalf he was speaking. Those feelings had been made more poignant on that date by the news of President Brezhnev's death. The United Kingdom delegation, speaking for its group, shared the sorrow of the Soviet delegation at that grievous loss. In the current difficult times, when experience, a great store of knowledge, dedication to service and prudence took on a special importance, the international community could only regret the loss of a distinguished

world leader, and it was appropriate for the Economic and Social Council to express its feelings in the manner suggested by its President. The delegation of the United Kingdom expressed its sincere condolences to the delegation of the USSR, and through it, to its people and Government.

4. Mr. RUMECI (Burundi) said that he wished to express the deepest condolences of the Government and people of his country to the people and Government of the Soviet Union, which had lost a highly esteemed leader, and he requested the delegation of the Soviet Union to accept and transmit to the Government and people of the USSR, and to the family of the late President, his Government's and people's expression of sympathy and solidarity at a time of trial and mourning.

5. Mr. GONZALEZ CESAR (Mexico) said that his delegation wished to join in the expressions of sympathy at the death of Mr. Brezhnev and to extend to the Government of the USSR the deep regret of the Government and delegation of Mexico.

6. Mr. PURUSHOTTAM (India) said that the Government and people of India were deeply moved by the death of President Brezhnev, who had been a long-standing and faithful friend of India. In paying a tribute to his memory, the Prime Minister of India had said: "With his death the world has lost an eminent statesman, the Soviet Union a great architect and the people of India a highly esteemed friend." President Brezhnev's life had been marked by singular dedication, tenacity and vigour. He had directed the strength and creative spirit of the Soviet Union towards peace in order to create a world in which people could live in friendship. The Government and people of India had observed with great satisfaction and admiration the efforts he had made on behalf of détente which had enabled the community of nations to weather many difficult crises. His personality and his contributions had left an imprint on the history of the last two decades. The delegation of India, through the delegation of the Soviet Union, wished to express to the family of the late President and to the Government of the Soviet Union its profound sympathy and its condolences.

7. Mr. FAREED (Pakistan) said that the world had lost a great statesman and leader. On that sad occasion, the delegation of Pakistan offered its heartfelt condolences to the delegation of the Soviet Union and requested it to relay the feelings of grief of the Government and people of Pakistan to the Government and people of the Soviet Union and to President Brezhnev's family.

8. Mr. TUAN (Liberia) expressed to the delegation of the USSR the deep sympathy of his country at the death of President Brezhnev, who had been an outstanding statesman and a leader deserving of the confidence of his people.

9. Mr. WORKU (Ethiopia) said that his delegation was deeply moved by the death of President Brezhnev, who had been a great statesman and a defender of peace in the world. His departure had left a great void: the Soviet people had lost a leader, and the world was left without a man who had been completely dedicated to the service of

peace. President Brezhnev's death was a cause for grief on the part of the Soviet people and of all peace-loving peoples throughout the world. The Governments of Ethiopia and the Soviet Union had worked in close co-operation to bring peace and justice to their own people and to the peoples of the entire world. That goal was currently becoming more difficult to achieve. The people of the Soviet Union would be able to overcome their grief through the grateful memory that President Brezhnev had left of the years when he had given his services to his country with probity, sincerity and dignity. He wished to express the deep sympathy of the people and Government of Ethiopia at the loss of President Brezhnev.

10. Mr. SILWAL (Nepal) said that his delegation had been deeply moved at the news of the death of Mr. Brezhnev, an outstanding leader of a country with which Nepal maintained friendly relations. On that sad occasion his delegation wished to express its condolences and sympathy to the delegation of the Soviet Union.

11. Mr. DE LA TORRE (Argentina) said that Mr. Brezhnev's death had deeply affected the community of nations. The departure of an experienced leader and architect of détente such as Mr. Brezhnev was a grievous loss to the entire world. On behalf of the Group of Latin American States and of the Government and people of Argentina, he expressed the sincerest condolences to the Soviet delegation and, through it, to the people of the Soviet Union.

12. Mr. SANGARE (Mali) said that it was with deep sadness that his delegation joined those that had preceded him in expressing to the delegation of the Soviet Union its profound condolences on the occasion of the death of President Brezhnev. The Soviet people had lost a great leader and the entire world a defender of peace.

13. Mr. HOUNGAVOU (Benin) said that he wished to add his feelings of sympathy to those already expressed to the delegation of the Soviet Union on the occasion of the sad news of the death of President Brezhnev, a great statesman and artisan of peace, who had always worked on behalf of just causes. At that difficult time, the people of Benin shared in the grief of the Soviet people. His delegation requested the delegation of the Soviet Union to transmit its feelings of sorrow to the people of the USSR.

14. Mr. DON NANJIRA (Kenya), speaking on behalf of his delegation and of the Group of African States in the Economic and Social Council, expressed their deep sympathy at the death of President Brezhnev and requested the delegation of the Soviet Union to transmit their condolences to the people and Government of the Soviet Union and to the late President's family.

15. Mr. KAZI (Bangladesh) said that his delegation joined in the expressions of deep sympathy at the death of President Brezhnev and extended its sincerest condolences to the delegation of the Soviet Union. President Brezhnev, a great statesman, had left his imprint on contemporary history. The people and Government of Bangladesh were deeply grieved at the loss of such an outstanding leader.

16. Mr. ELHASSAN (Sudan), speaking on behalf of the Group of Arab States, expressed the sincerest sympathy at the death of President Brezhnev. The Soviet Union and the entire world had lost a great statesman of irreplaceable experience and wisdom whose contributions to international relations were undeniable, especially in the areas of détente, disarmament and peace. He requested the delegation of the Soviet Union to transmit his most sincere condolences to the Government and people of the Soviet Union.

17. Miss MONCADA BERMUDEZ (Nicaragua) said that the people and Government of her country deeply regretted the death of President Brezhnev. The causes of peace, justice and equality in the world had lost one of their best defenders. The Nicaraguan delegation requested the Soviet delegation to transmit its sincerest condolences to the people and Government of the Soviet Union on the loss of their leader.

18. Miss ZANABRIA (Peru) said that her delegation endorsed the words of the representative of Argentina speaking on behalf of the Group of Latin American States and expressing the feelings experienced by the international community and Latin America on the death of President Brezhnev. She requested the delegation of the Soviet Union to transmit to the Soviet people the feelings of the people and Government of Peru at that irreparable loss.

19. Mr. SZEREMETA (Poland) expressed his delegation's most sincere condolences on the death of the President of the Presidium of the Supreme Soviet of the USSR and General Secretary of the Central Committee of the Communist Party of the Soviet Union. In Poland, President Brezhnev had been known as a great leader of the Soviet people in their struggle for full and peaceful development; he had been known and esteemed as a politician of broad outlook, linked to historic initiatives relating to Pan-European co-operation and disarmament, which had had positive repercussions on the strengthening of peace and security in international relations. President Brezhnev had led the Soviet people during a sensitive and dangerous period. It was for historians to judge the epoch and contemporary politicians; nevertheless, there were figures whose importance for the development of events was evident, and President Brezhnev had been one of them. It was an indisputable fact that President Brezhnev had been true to the high ideals of communism and peace.

20. Mr. MILLER (United States of America) said that President Brezhnev had been one of the most important figures in the world for nearly two decades. His delegation joined with other delegations in expressing to the family of the President, the people of the Soviet Union and the USSR delegation its sincere sorrow and condolences.

21. Mr. GRECU (Romania) said that he had received with deep sorrow the sad news of the death of President Brezhnev, the eminent leader of the Communist Party and the Soviet State and an outstanding militant of the international communist and workers' movement. President Brezhnev had made a decisive contribution to the establishment of a climate of peace and to détente and

international co-operation. The Government and people of Romania had a high appreciation of President Brezhnev's contribution to the continuous development of relations of fraternal friendship and to the collaboration at many levels between Romania and the Soviet Union for the benefit of the Romanian and Soviet peoples and for the cause of international peace and co-operation. His delegation expressed its deepest and most sincere condolences to the delegation of the Soviet Union and reiterated its feelings of solidarity and friendship.

22. Mr. JAYANAMA (Thailand) said that his delegation had received with deep sorrow the news of the death of Mr. Brezhnev, one of the most important leaders of the time. His contribution to détente was known to all. His delegation wished to express its sincere condolences to the Government and people of the Soviet Union.

23. Mr. ARELLANO (Venezuela) said that he wished to associate himself with the expressions of condolence on the death of the statesman Leonid I. Brezhnev, whose contribution to international peace and security would be a light to future generations. He asked the delegation of the Soviet Union to transmit the sincere condolences of his delegation to the Government and people of the Soviet Union.

24. Mr. AKAO (Japan) said that his delegation had heard with great sadness the news of the death of Mr. Brezhnev, who would be remembered for the valuable services which he had rendered to his country. His death represented a loss for the entire international community. His delegation expressed its sincere sorrow to the delegation, Government and people of the Soviet Union.

25. Mr. MIHALJEVIC (Yugoslavia) said that he wished, on behalf of his delegation, to express his sorrow to the delegation of the Soviet Union at the death of the President of the Presidium of the Supreme Soviet and General Secretary of the Central Committee of the Communist Party of the Soviet Union, Mr. Brezhnev, who had dedicated his whole life to the progress of the Soviet people.

26. Mr. IVERSEN (Denmark), speaking on behalf of the States of the European Economic Community which were members of the Economic and Social Council, expressed his sorrow to the delegation of the USSR, the Soviet people and the family of Mr. Brezhnev on the occasion of his death. One of the great leaders of the past two decades had died.

27. Mr. CARVAJAL (Colombia) expressed his delegation's condolences on the occasion of the death of Mr. Brezhnev and asked the delegation of the Soviet Union to transmit its sorrow to his people and Government.

28. Mr. NGUAYILA MBELA KALANDA (Zaire) expressed to the Soviet delegation and to the family of the late Mr. Brezhnev the sincere sorrow of the delegation of Zaire on the death of that great leader of the time.

29. Miss DANIELSEN (Norway) expressed to the delegation of the Soviet Union, on behalf of the delegation and people of Norway, the deepest sympathy on the death of Mr. Brezhnev, a great statesman and leader. She would like those sentiments to be transmitted

to the Government of the Soviet Union and to the family of the late Mr. Brezhnev

30. Mr. PALAZZO (Brazil) said that his delegation wished to associate itself with the condolences expressed by the delegation of Argentina, on behalf of the Group of Latin American States, on the occasion of the death of Mr. Brezhnev, and he asked the Soviet delegation to transmit its sympathy to the Government and people of the Soviet Union

31. Mr. ESAN (Nigeria) said that his delegation expressed its deepest sorrow to the delegation, people and Government of the USSR on the death of Mr. Brezhnev, a great leader, whose death had been deeply felt by the international community.

32. Mr. SCHWEISGUT (Austria) said that the Soviet Union and the whole world had lost a great leader with the death of Mr. Brezhnev. His delegation wished to associate itself with the feelings of dismay expressed by other delegations at such a sad loss.

33. Mrs. FANG Ping (China) said that her delegation would like to express, on behalf of the Government and people of China, its deepest sorrow at the death of Mr. Brezhnev, President of the Presidium of the Supreme Soviet and General Secretary of the Central Committee of the Communist Party of the Soviet Union.

34. Mrs. MARTINHO (Portugal) said that she joined in the expressions of grief of previous speakers on the occasion of the death of Mr. Brezhnev. She asked the Soviet delegation to transmit her delegation's deep sorrow to the Government and people of the Soviet Union.

35. Mr. PLECHKO (Union of Soviet Socialist Republics) expressed to all delegations the profound appreciation of the Soviet delegation for the expressions of sincere grief on the occasion of the death of the General Secretary of the Central Committee of the Communist Party of the Soviet Union and President of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics, Mr. Leonid I. Brezhnev. He expressed thanks also to the officials of the Secretariat of the United Nations who, in their personal capacity, had offered their condolences to the Soviet delegation.

36. The path of Mr. Brezhnev was inseparable from the recent history of the Soviet State. Mr. Brezhnev had played a dominant role in the elaboration and execution of the foreign policy of the Union of Soviet Socialist Republics, based on peaceful coexistence, détente, disarmament, prevention of nuclear disaster and firm rejection of the policy of aggression and war. As was clear from the message which the Central Committee of the Communist Party of the Soviet Union, the Presidium of the Supreme Soviet and the Government of the Union of Soviet Socialist Republics had addressed to the Communist Party and people of the Soviet Union, the foreign policy of the Soviet Union, drawn up under the leadership of Leonid I. Brezhnev, would continue to be applied decisively and consistently.

AGENDA ITEM 29

Nominations and elections (*concluded*) (E/1982/110)

INTERGOVERNMENTAL WORKING GROUP OF EXPERTS ON INTERNATIONAL STANDARDS OF ACCOUNTING AND REPORTING (E/1982/L.54)

37. Ms. CONDEVAUX (Assistant Secretary of the Council) said that the nominations transmitted by the regional groups for membership in the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting were the following: for the nine seats allocated to African States: Algeria, Egypt, Liberia, Morocco, Nigeria, Swaziland, Tunisia, Uganda and Zaire; for the seven seats allocated to Asian States: China, Cyprus, India, Japan, Pakistan and Philippines, plus one member to be nominated subsequently; for the six seats allocated to Latin American States: Argentina, Brazil, Ecuador, Grenada, Panama and Saint Lucia; for the nine seats allocated to members from Western European and other States: Canada, France, Germany, Federal Republic of Italy, Netherlands, Norway, Spain, Switzerland, United Kingdom of Great Britain and Northern Ireland and United States of America. Nominations for the three seats allocated to socialist States of Eastern Europe had not been communicated to the Secretariat.

38. The PRESIDENT said that, in view of the fact that the number of candidates nominated by the Group of African States and the Group of Latin American States was equal to the number of seats to be filled and that in the case of the Group of Asian States the number of candidates was less than the number of seats, he requested the Council to elect unanimously the candidates of those three groups whose names had been read out.

It was so decided.

Algeria, Argentina, Brazil, China, Cyprus, Ecuador, Egypt, Grenada, India, Japan, Liberia, Morocco, Nigeria, Pakistan, Panama, Philippines, Saint Lucia, Swaziland, Tunisia, Uganda and Zaire were elected members of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting for a term of two or three years, to be determined by lot, beginning on 1 January 1983.

39. The PRESIDENT invited the Council to elect by secret ballot the nine members from the Group of Western European and other States from among the 10 nominees listed earlier by the Assistant Secretary.

At the invitation of the President, Mr. Wakasugi (Japan) and Mr. Grecu (Romania) acted as tellers.

A vote was taken by secret ballot.

<i>Number of ballot papers:</i>	53
<i>Invalid ballots:</i>	0

<i>Number of valid ballots:</i>	53
<i>Abstentions:</i>	0
<i>Number of members voting:</i>	53
<i>Required majority:</i>	27
<i>Number of votes obtained:</i>	
France	47
Italy	46
Canada	45
Norway	45
United Kingdom of Great Britain and Northern Ireland	45
United States of America	43
Germany, Federal Republic of	41
Spain	40
Netherlands	38
Switzerland	35

Having obtained the required majority, Canada, France, Germany, Federal Republic of, Italy, the Netherlands, Norway, Spain, the United Kingdom of Great Britain and Northern Ireland and the United States of America were elected members of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting for a term of two or three years, to be determined by lot, beginning on 1 January 1983.¹

40. The PRESIDENT said that pursuant to paragraph 4 (d) of Economic and Social Council resolution 1982/67, the term of office of the members would be three years beginning on 1 January following their election, except that for one half of the members elected at the first election the term of membership would be two years.

41. He would draw lots to determine which of the members elected would serve for two years. In the case of the Asian States, a black domino would represent the seventh member, whose election had been postponed.

By the drawing of lots, it was decided that the following members of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting would serve for a two-year term: the following five of the nine African States: Egypt, Liberia, Nigeria, Swaziland and Zaire; the following three of the seven Asian States: China, Pakistan and the Philippines; the following three of the six Latin American States: Argentina, Brazil and Grenada; and the following five of the nine Western European and other States: Canada, France, the Netherlands, Norway and Spain.²

42. The PRESIDENT said that the Council would postpone to a future session the election, for a term expiring on 31 December 1985, of one member from among the Asian States and of three members from among the socialist States of Eastern Europe, one of which, to be determined by lot, would serve for two years, while the other two would serve for three years.

43. Mr. FAREED (Pakistan) inquired on what basis it had been decided that the member from the Group of Asian States which had not yet been elected would be included in the drawing of lots to determine which members would serve for two years. He also inquired whether the domino used for that anonymous member had remained in the box used for drawing lots.

44. Ms. CONDEVAUX (Assistant Secretary of the Council) said she had consulted the Office of Legal Affairs on that matter, and had been informed that the country to be elected at a subsequent session should be represented in the drawing of lots by a black domino. That domino had indeed remained in the box used for the drawing of lots, since it had not been one of those drawn.

COMMITTEE FOR THE UNITED NATIONS POPULATION AWARD

45. The PRESIDENT invited the Council to proceed to the election of 10 members of the Committee for the United Nations Population Award, in accordance with article 4 of the Regulations Governing the United Nations Population Award, which were annexed to General Assembly resolution 36/201. It would be recalled that the Council had agreed, without prejudice to the principle of equitable geographical distribution, on the following distribution of seats: three seats for the African States, two and a half seats each for the Asian States and the Latin American States (the distribution of those seats to be determined by the two groups themselves, on the understanding that one group would have three seats and the other two on a rotating basis), one seat for the socialist States of Eastern Europe and one seat for the Western European and other States.

46. Mr. DE LA TORRE (Argentina) said that the Group of Latin American States had agreed with the Group of Asian States that on the current occasion the latter group would have three seats.

47. Mr. PLECHKO (Union of Soviet Socialist Republics), speaking as Chairman of the Group of socialist States of Eastern Europe, said that Yugoslavia was the candidate of that Group.

48. Ms. CONDEVAUX (Assistant Secretary of the Council) announced that the following nominations had been received from the Chairmen of the regional groups: Burundi, Egypt and Tunisia to occupy the three seats allocated to the African States; Bangladesh, China and Japan to occupy the three seats allocated to the Asian States; Colombia and Mexico to occupy the two seats allocated to the Latin American States; Yugoslavia to occupy the seat allocated to the socialist States of Eastern Europe, and Australia to occupy the seat allocated to the Western European and other States.

49. The PRESIDENT said that, since the number of candidates was equal to the number of seats allocated to each group, he would take it, if there was no objection, that the Council wished to elect the candidates proposed by the groups. Consequently, the Committee would be composed of Australia, Bangladesh, Burundi, China, Colombia, Egypt, Japan, Mexico, Tunisia and Yugoslavia, which would serve for a term of three years beginning on 1 January 1983, in accordance with the provisions of article 4 of the Regulations Governing the United Nations Population Award.

It was so decided.

SESSIONAL WORKING GROUP OF GOVERNMENTAL EXPERTS ON
THE IMPLEMENTATION OF THE INTERNATIONAL COVENANT
ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

50. The PRESIDENT invited the Council to proceed to the election of 15 members of the Sessional Working Group of Governmental Experts on the Implementation of the International Covenant on Economic, Social and Cultural Rights, in accordance with Council resolution 1982/33, paragraph (b).

51. Ms. CONDEVAUX (Assistant Secretary of the Council) said that the Chairmen of the regional groups had submitted the following nominations for the three posts allocated to each group: African States: Libyan Arab Jamahiriya, Kenya and Tunisia; Asian States: Japan and Jordan; socialist States of Eastern Europe: Bulgaria, German Democratic Republic and Union of Soviet Socialist Republics; Latin American States: Colombia and Peru; Western European and other States: Denmark, France and Spain.

52. The PRESIDENT said that since the number of candidates proposed by each group was equal to or—in the case of the Asian and Latin American groups—less than the number of seats allocated to the group, he would take it, if there was no objection, that the Council wished to elect by acclamation the States whose names had been read out, for a term beginning on 1 January 1983, the duration of which would be determined by the drawing of lots. He would also take it that the election of one member from the Group of Asian States and one member from the Group of Latin American States would be postponed to a later stage.

It was so decided.

53. The PRESIDENT said that in accordance with Council resolution 1982/33 he would proceed to choose by lot the name of one member from each regional group whose term would expire at the end of one year and the name of another member from each regional group whose term would expire at the end of two years; the term of the third member from each regional group would therefore be three years.

Lots having been drawn by the President, the following States were elected: African States: Tunisia for a one-year term and Libyan Arab Jamahiriya for a two-year term; Asian States: Japan for a one-year term and Jordan for a two-year term; socialist States of Eastern Europe: German Democratic Republic for a one-year term and Bulgaria for a two-year term; Latin American States: Colombia for a one-year term and one member, to be elected, for a two-year term; Western European and other States: Spain for a two-year term.

54. Mr. FAREED (Pakistan) contested the use of the black domino in the drawing of lots by the President. For

example, very few States in the Group of Asian States were parties to the Covenant, and the terms of the countries which had volunteered to participate in the Working Group would last one and two years respectively, whereas the term of the non-existent member would last for three years.

55. The PRESIDENT explained that the black domino was not an abstract entity but represented a State which was to be elected later; the matter could be taken up at the next session of the Economic and Social Council.

COMMITTEE ON NATURAL RESOURCES

56. The PRESIDENT, recalling that at the 57th meeting the Council had elected one member of the Committee on Natural Resources, announced that the candidature of the Philippines had been proposed for a seat on that Committee for a four-year term, beginning on 1 January 1983. If there was no objection, he would take it that the Council wished to elect the Philippines by acclamation.

It was so decided.

Closure of the session

57. The PRESIDENT observed that the Council, which had now completed its work for 1982, must pursue its efforts to determine why the international community was unable to deal with the problems that threatened the well-being of mankind. It was not enough to say that some countries lacked the political will to hold joint negotiations with a view to solving international economic problems.

58. Of course, countries held different views concerning the current international economic situation and, above all, took different approaches to the solution of economic problems. There was, however, no doubt about the need to ponder the impact of that situation on the stability of international relations and on international peace and security.

59. The Economic and Social Council was one of the principal organs of the United Nations and as such should seek to broaden its functions, emphasizing in particular the importance of the multilateral approach to economic relations in an increasingly interdependent world.

60. In conclusion, he thanked the participants for their efforts and the spirit of co-operation they had demonstrated at the current session.

The meeting rose at 12.30 p.m.