

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.
