

## 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

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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.*