

40th meeting

Wednesday, 14 July 1982, at 3.15 p.m.

President: Mr. Miljan KOMATINA (Yugoslavia)

E/1982/SR.40

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

AGENDA ITEM 3

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

1. Mr. BHATT (Nepal) said that the *per capita* output of the developing countries as a whole, which had fallen in 1981 for the first time in the post-colonial era, was likely to decline further in 1982. The weakness in commodity trade, rising protectionism and high interest rates meant that international trade had ceased to be a factor inducing growth in the developing countries. His delegation hoped, therefore, that the ministerial meeting of GATT, to be held in November 1982, would devote its attention to those issues in particular and would ensure a commitment to the rules of the General Agreement on Tariffs and Trade and to freedom of trade.
2. Official development assistance had fallen well below

its target. Attitudes towards aid policies had hardened, and in real terms the volume of concessional assistance was static. The escalating debt burden of the developing countries, combined with high interest rates, had prevented additional financing from private capital markets. Multilateral financial institutions, such as IDA, needed to be able to increase their resources, so that they could play a greater part in the development efforts of developing countries.

3. For the poorest countries, the question was no longer development but survival. They had been forced to adopt restrictive economic policies and to cut back severely their expenditure in the social sector and investment in development. Yet, a small fraction of the amount spent annually on armaments throughout the world, if used constructively, could make the difference between development and survival. He commended in that connection the work of the Committee for Development Planning at its eighteenth session. The immediate and long-term measures suggested in the Committee's report (E/1982/15 and Corr. 1 and 2) as elements of a wide economic recovery programme should be acted upon.

4. Nearly three years had passed since the need had been accepted for global negotiations. Each time an important meeting was held, at Cancún, Ottawa or Versailles, a glimmer of hope emerged, but each time the deadlock continued. He appealed to the developed countries to join in the common effort without delay, so that specific measures could be taken to achieve the objectives of the new international economic order.

5. The Conference on Economic Co-operation among Developing Countries held at Mexico City in 1976, had been a step towards realizing the concept of interdependence. Such co-operation was making progress, despite severe constraints. It could not, however, be a substitute for dialogue and co-operation between North and South.

6. The recent United Nations Conference on the Least Developed Countries had been an important event for Nepal and other countries in a similar position. The Substantial New Programme of Action for the 1980s for the Least Developed Countries, which had emerged from the Conference, had embodied a commitment by the world community to rescue the least developed countries from their acute structural difficulties, so that by 1990 the criteria determining their status would no longer apply. It was incumbent on all Member States to see that the Substantial New Programme of Action was implemented in all its aspects.

7. On the question of finance for the various Programmes and funds of vital concern to the least developed countries, he noted that there was a serious shortfall in the resources of UNDP. The result had been a 38 per cent cut across the board for the third programming cycle, 1982-1986. UNDP was the United Nations' most effective organ for operational development activities; it had accumulated vast expertise and had proved itself a trustworthy partner. The shortfall would mean a cutback in the programme, which would seriously hamper the development efforts of many developing countries, and of the least developed countries in particular. He was, however, encouraged by the outcome of the twenty-ninth session of the Governing Council of UNDP in June 1982, in particular the agreements arrived at on the future role and structure of UNDP and on possible new and alternative ways of mobilizing financial resources for the Programme (see E/1982/16, annex I, decision 82/5). His delegation appealed for generous contributions to the UNDP Special Measures Fund for the Least Developed Countries.

8. A positive response from the entire world community was needed to mobilize sources for the various funds and programmes involved in United Nations operational activities on a predictable, continuous and assured basis. UNICEF and the United Nations Volunteers programme had adequate funds, but that might be only a temporary phenomenon; both had earned admiration for their efficient operations and should not be left to face an uncertain future. The United Nations Special Fund for Land-locked Developing Countries, the statute of which had been approved by the General Assembly in its resolution 31/177 of 21 December 1976, had met with a

very poor response and had been unable to start any operation worthy of the name.

9. The application of science and technology was essential for development. The recent meetings of the Intergovernmental Committee on Science and Technology for Development gave some grounds for optimism in that respect (see A/37/37). Differences on the question of funds and machinery seemed to be narrowing. In view of past disappointing experience with the Interim Fund and the United Nations Financing System for Science and Technology for Development, it would be more realistic not to expect too high a level of resources to start with. His delegation also believed that the long-term Financing System should be an autonomous body within the United Nations system, with operational links with UNDP. He hoped that a satisfactory formula for continuity and predictability would enable the System to be fully effective.

10. The United Nations Conference on New and Renewable Sources of Energy, the first of its kind, had brought a new awareness of the role of such sources. The Interim Committee on New and Renewable Sources of Energy, which had met at Rome in June 1982 to launch the implementation of the Nairobi Programme of Action had considered a number of related issues and recommended guidelines for the various United Nations organs and organizations (see A/37/47). It was a topic to which his delegation attached great importance. Nepal had no known deposits of conventional fuel but possessed a large renewable source of energy base in the form of hydropower. A number of questions, such as those relating to finance, machinery and bilateral or regional arrangements, needed to be tackled and satisfactory solutions found, so that Nepal and other countries with similar energy endowments could progress in an appropriate direction.

11. Nepal also valued greatly the conclusions of the session of a special character of the Governing Council of UNEP, held at Nairobi in May 1982. The Declaration it had adopted had drawn attention to shortcomings in the fulfilment of the Action Plan for the Human Environment, adopted at Stockholm in 1972, including failure to appreciate the long-term benefits of environmental protection, lack of co-ordination and insufficient resources. Nepal was fully committed to environmental protection at the national level, and laws had been enacted and various programmes launched in the area of forest conservation and reafforestation. National efforts, however, needed active international backing and support. Environmental problems knew no national boundaries and remedial action could brook no delay.

12. The Economic and Social Council was a vital organ of the United Nations. Under its aegis, measures and programmes of action were decided upon to guide Member States in formulating their national strategies, and action by United Nations bodies was initiated. The political will to secure its revitalization ought therefore to be forthcoming. Nepal for its part was fully prepared to co-operate in efforts to that end.

13. Mr. VRAALSEN (Norway), speaking on behalf of

Denmark, Norway and the observer delegations of Finland, Iceland and Sweden, noted that the prolonged slow-down in economic growth now affected all major regions and groups of countries, but that for the developing countries the past few years had been especially disruptive. Acute balance-of-payments difficulties had forced most of them to make sharp adjustments, which had further reduced growth. The *per capita* real income of the developing countries as a whole had declined for the first time in more than 30 years. The low-income countries, particularly those in Sub-Saharan Africa, gave special grounds for concern. Many of their Governments had been unable to satisfy even the basic needs of their peoples. The Secretary-General had rightly pointed out the danger that arose from depriving people of hope over long periods.

14. Although in the developed countries there was machinery to protect people against some of the most severe effects of economic setbacks, those countries also faced a great challenge. Record unemployment was coupled with a high rate of inflation and considerable balance-of-payments difficulties. As a result, there had been a tendency to move away from international co-operation towards unilateral action based on self-interest. Yet it had become increasingly clear that no country, large or small, could solve its economic problems alone, and thus the need for co-operation through existing international organizations was evident. Those institutions had served the international community well throughout the post-war period and should play an even larger role in the current difficult situation.

15. From the outset, the Nordic countries had supported the proposal to launch a new round of global negotiations covering all major economic fields. They had found the draft resolution circulated by the Group of 77 in March 1982 helpful and a good basis for consultation. It had been agreed at the summit meeting at Versailles that a limited number of amendments should be proposed to the draft resolution, with a view to a general consensus, but the efforts made in New York in June 1982 to reach agreement had failed. Political commitment to the global negotiations had frequently been reaffirmed at the highest levels and ought to provide a sufficient basis for bridging the remaining differences when the consultations were renewed. Other negotiations on substantive issues should be seen as complementary to the global negotiations. Consultations on procedures and agendas should not be allowed to draw attention away from other urgent issues in the field of international economic co-operation.

16. It could have an important psychological impact if the Economic and Social Council were to subscribe to the goal of a co-ordinated world recovery programme as outlined by the Secretary-General and express support for some of the necessary means to arrive at that goal.

17. The Nordic countries attached the greatest importance to the maintenance of an open world trading system. The expansion of world trade was of fundamental importance both to the industrialized and the developing countries. The forthcoming ministerial meeting of GATT

to be held in November 1982 should concern itself primarily with containing protectionist pressures and stimulating world trade, and in particular with the trade problems of the developing countries.

18. The Nordic countries appreciated the innovative approach of the Secretary-General of UNCTAD to preparations for the sixth session of the United Nations Conference on Trade and Development. The provisional agenda represented a realistic approach which should pave the way for concrete results. He noted that the period for the fulfilment of the requirements for the entry into force of the Agreement Establishing the Common Fund for Commodities had been extended to September 1983. The extension was an indication of the lack of progress in international co-operation in commodity trade. The Nordic countries were concerned over the slow progress in the negotiation of international commodity agreements and hoped that advances could be made soon in implementing the Integrated Programme for Commodities.

19. The Nordic countries were deeply concerned at the increasing constraints on the international financial institutions. In the current situation, it was especially important that the volume of financial flows to developing countries should increase. The difficulties were mainly due to the performance of the largest donor, but it should not be allowed to set the pace for the rest. IDA urgently needed to re-establish its commitment authority, and the Nordic countries appealed to other donors to follow their example of releasing their full second and third instalments, through waiver or other mechanisms. They welcomed the decision to start negotiations on the seventh replenishment of the resources of IDA in autumn 1982, but since those negotiations could not be concluded in time for the beginning of the fiscal year 1984, it was to be hoped that the next annual meeting of the World Bank would succeed in finding a temporary solution on the basis of proposals for the establishment of an account for the fiscal year 1984 or a special fund. The solution must make it possible to maximize contributions to IDA while paying due attention to continuity and the principle of burden-sharing.

20. As major donors to UNDP, accounting for more than a fourth of the total contributions, the Nordic countries were concerned about the financial crisis it was facing. They welcomed the establishment of the Inter-sessional Committee of the Whole at the twenty-ninth session of the UNDP Governing Council, in accordance with its decision 82/5, and hoped that its special focus on long-term problems would result in a more assured flow of resources and a more effective programme. They urged all participants in UNDP to work for the best possible outcome, including an increase in their pledges in conformity with international development assistance targets.

21. The United Nations Conference on the Least Developed Countries had underlined the need to pay particular attention to the development problems of the poorest countries. The Nordic countries actively supported the idea of channelling an agreed share of

official development assistance, of 0.15 per cent of GNP, to those countries. They hoped all donors would make renewed efforts to achieve the 0.7 per cent target set in the International Development Strategy for the Third United Nations Development Decade within the proposed time and that an increasing share of assistance would be channelled to the least developed countries and other low-income countries.

22. The Nairobi Programme of Action adopted at the United Nations Conference on New and Renewable Sources of Energy was a significant contribution to the diversification of world energy supplies and the solution of the overall energy problem, in particular the problems encountered by the developing countries. The recent session of the Interim Committee had confirmed the consensus on the importance of new and renewable sources of energy, and multilateral and bilateral donors should take advantage of that consensus to take steps to promote the use of such resources.

23. The problem of creating a better environment was of immense importance to present and future generations. The session of a special character of the Governing Council of UNEP had revealed a strong consensus on the need to take environmental aspects into account in all development efforts. It had also emphasized that the problems of deforestation, land and water degradation and desertification must be tackled before it was too late.

24. Turning to the question of arrangements for humanitarian and disaster relief assistance within the United Nations system, he said that both short-term and long-term assistance was crucial for humanitarian efforts and the reconstruction of Lebanon. The Nordic countries had already contributed substantially to the relief efforts being undertaken by international organizations and were ready to give further assistance when it was called for. They hoped that assistance to Lebanon would be able to reach all the people in need.

25. In conclusion, he said that, in order to ensure that the Council was capable of performing the tasks entrusted to it in the Charter of the United Nations, members would have to reflect upon the opportunities for improving its working methods. Problems undoubtedly existed, and ignoring them would only diminish the Council's role. The Nordic countries appreciated the efforts made by the President of the Council in that respect and were prepared to participate in any deliberations aimed at making the work of the Council more effective.

26. Mr. KAMANDA w.A. KAMANDA (Zaire) said that the economic crisis, the political crisis and the crisis in international co-operation and solidarity had combined to paralyse the system of international relations. He had no doubt that "crisis" was the right term to use; to play down the situation could only hinder the vitally important debate on the real requisites for sustained recovery. In today's world, all were interdependent, and a global approach was required more than ever. The persistent malaise in the world economy was no cyclical phenomenon but a symptom of structural maladjustment and fundamental disequilibrium. The international economic

order that had prevailed since the Second World War was now incapable of meeting the requirements not just of the developing countries but of the industrialized nations as well. The developing countries suffered not only from a loss of export earnings potential, owing to inflation and monetary policies in the developed countries, but also from the lack of access to the latter's markets because of growing protectionism there. The system was both unjust and inefficient, and it was the developing countries, particularly the least developed, which had borne the brunt of the situation.

27. The desired structural changes in the world economy should include sectoral adjustments in the field of production, consumption and trade, so as to enable the developing countries to control the use of their resources and share in decision-making at the international level. But no progress had been made in that direction; the system of multilateral co-operation was faltering. Vast areas of the world faced poverty and economic decline; if current trends continued, more than 800 million people would be in a state of absolute poverty by 1990. It was becoming increasingly difficult, because of constant inflation, currency fluctuations, unemployment and flagging growth, to find the resources needed for urgent economic and social needs. Development assistance was at a standstill, as was the application of the International Development Strategy for the Third United Nations Development Decade. Voluntary funds to stimulate the vital role of international bodies as part of that Strategy were woefully lacking. Delays in implementing the Integrated Programme for Commodities had become routine. The additional resources needed for African refugees, to assist the countries of asylum and finance-related projects, had not been forthcoming. The global negotiations relating to international economic co-operation for development, the principles of which had been adopted by the General Assembly in 1979 in its resolution 34/138, had not been launched, for lack of requisite political will on the part of the developed countries.

28. At the same time, vast amounts—\$500 billion in 1980, \$600 billion in 1982 for the world as a whole, almost double the amount spent in 1970—were being spent on armaments, including nuclear weapons. The withholding of the vast funds available in the world from programmes to alleviate poverty, malnutrition and other large-scale social ills could not be justified. According to UNICEF, 17 million children would die during 1982 from malnutrition and preventable disease; and the International Labour Office had pointed out that, of the 115 million unemployed young persons in the world, three quarters were in the third world. The arms race was widening the gulf between the developed and developing nations, violated the principles of the Charter of Economic Rights and Duties of States and cast doubts on the sincerity of the assertions, by the major and nuclear Powers, that disarmament was their aim—the more so in view of the prosperity stemming from their armaments industry and the power such weaponry gave them over nations not possessing it. The lack of progress at the General

Assembly's twelfth special session (second special session devoted to disarmament) was disappointing.

29. The report of the Committee for Development Planning (E/1982/15 and Corr. 1 and 2) gave little cause for optimism. It noted, *inter alia*, that five more African nations had been added to the list of the least developed countries.

30. The reforms accomplished hitherto did not presage a coherent system enabling all countries to assert their economic, trade and financial interests. Truly multilateral relations depended on respect by all partners for codes of conduct which, in turn, must be flexible enough to meet contingencies. The maintenance of an outmoded system encouraged a return to bilateralism—which meant the law of the stronger. The Group of 77 had therefore proposed a new international economic order, including agreement on conciliation procedures of the sort necessary in a changing world.

31. The debate on representation and decision-making in international bodies, on the role of such bodies in world economic affairs, particularly in North-South relations and the global negotiations, was essentially a political one. The major Powers seemed reluctant to relinquish the political control they exercised through various bodies of the United Nations system; but the forum for debate on international political matters was the General Assembly, which the developing countries insisted was the organ competent to take decisions concerning the action of United Nations bodies, as it had more regard to the legitimate interests of all, pursuant to the principles of the new international economic order and the Charter of Economic Rights and Duties of States.

32. The establishment of a new international economic order called for the organization of economic relations among nations rather than reliance on market mechanisms, which took no account of man's basic needs. The countries of the North were invited to take up the challenge by launching the global negotiations, rather than clinging to the positions acquired in an earlier industrial revolution. It was to be hoped that the Versailles Declaration would mark the beginning of a genuine resolve by the industrialized nations concerned to undertake global negotiations based on the Group of 77's proposals.

33. The United Nations system should also be involved in the democratization and restructuring of international relations. In General Assembly resolution 3202 (S-VI), the Council had been requested to determine the conceptual framework and co-ordinate the activities of the United Nations bodies involved in implementing the Programme of Action on the Establishment of a New International Economic Order. But its role was being eroded by the worsening international situation, and it was sometimes even contested by certain specialized agencies. To the extent that the Council fulfilled the tasks set forth in Chapter IX of the Charter of the United Nations, any obstruction of its role challenged the General Assembly's authority. The powers of the specialized agencies had been conferred on them by the

General Assembly under the Charter, which meant that there were no grounds for opposing the structural changes required in some of them in order to promote wider economic and social progress. The responsibility lay with those Member States and agencies which wished to maintain the *status quo*. States should not adopt differing attitudes in the Council and in the specialized agencies; and the agencies should not act at variance with the objectives of the United Nations, if their role in multilateral co-operation was not to become subordinated to bilateralism.

34. If the Council, at its current session, could adopt the draft resolution on its revitalization (Conference Room Paper 1982/4), it would have made an important contribution towards an improvement in the current international economic and social situation. Among the draft resolution's more important features were: a focus on selected issues to facilitate action-oriented recommendations; the consolidation of similar or related issues under a single heading; the formulation of conclusions and the preparation of recommendations of a general nature; a review of the activities and programmes of organizations and other bodies of the United Nations system, sector by sector, in order to ensure that programmes were compatible and complementary; comprehensive reviews of operational activities within the United Nations system as a whole; concentration on trends in regional co-operation activities, particularly those concerning questions of interest to all regions, and their co-ordination, and on problems relating to inter-regional co-operation; restrictions on the establishment of new subsidiary bodies; and the limitation and condensation of documentation.

35. Mr. MEBAZZA (Tunisia) said that, at a time when the Council was seeking means to strengthen co-operation in accordance with the objectives of peace and security proclaimed in the Charter of the United Nations, the racist State of Israel was spreading death, destruction and terror in Lebanon in an attempt to exterminate the Palestinian people. The international community ought to have compelled the Zionist State to observe international law by withdrawing immediately and unconditionally from Lebanon and granting the Palestinian people their right to return to their homeland and establish a sovereign State.

36. The current world economic situation, which brought stagflation and unemployment for the developed countries and poverty, debt and persistent underdevelopment for the developing countries, gave no grounds for optimism. Conditions were worse than at any time since the 1930s, and the vulnerability of the developing countries' economies had made them even more dependent on the developed nations. In 1981 their GDP growth rate had been some 0.6 per cent, representing a decline in real terms *per capita* for the first time since the 1950s.

37. The crisis was caused by structural, not market, conditions. Protectionism was growing in a number of developed countries; terms of trade for commodity exporters were worsening; official development assist-

ance had levelled off or even diminished, despite the acceptance of certain targets, thus paralysing some developing countries' efforts. Contributions to UNDP had fallen by 25 per cent in real terms between 1980 and 1982. Ironically, the arms industry was expanding; \$1 million per minute were being spent on instruments of death and destruction; yet, at the same time, high interest rates made recourse to the capital market suicidal for developing countries, particularly those not eligible for official development assistance.

38. The value of collective action in response to the problems seemed to have been forgotten; there were only individual self-rescue actions by isolated States, and a resurgence of bilateral, rather than multilateral, co-operation agreements. The North-South dialogue had come to a halt, and the proposal for global negotiations, adopted by the General Assembly in 1979 in its resolution 34/138, had so far come to nothing, despite some convergence of views on the subject. The global negotiations were exceptional both in their significance and in their scope and should be subject to no reservations. There must be universal, open and equal dialogue in discussing all matters on the agenda and in taking all decisions; otherwise, the negotiations would become but another item on the list of unsuccessful United Nations efforts—like, for example, the United Nations Financing System for Science and Technology for Development and the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy.

39. One positive step had been the new impetus given to South-South co-operation through the adoption of the Caracas Programme of Action on Economic Co-operation among Developing Countries, which should help the developing countries to attain their objective of collective self-reliance.

40. The Secretary-General's proposal that the international community should launch a concerted programme for world economic recovery was a laudable one. Such a programme ought to make possible sustained world economic growth by means of a wide range of measures to combat inflation, liberalize trade, revive and stabilize commodity markets and provide for international and monetary co-operation and the supply of capital and technology to the developing countries. It should also deal with long-term structural matters, such as world food security and energy questions. It should, moreover, form part of the restructuring of international economic relations and the establishment of the new international economic order; otherwise, its scope would be limited to short-term emergency measures.

41. It was high time that genuine political will was evinced in the form of concerted action to bring the North-South dialogue out of the impasse of recent years, before it was too late; urgent action was needed to help the hundreds of millions in Africa and Asia still suffering from hunger, disease and absolute poverty.

42. Mr. IJEWERE (Nigeria) said that the past year had witnessed the worst slow-down in overall economic growth in recent history, in developed and developing

countries alike. The stagnation in world trade in 1981, resulting partly from growing protectionism in the developed countries, crippling high interest rates and the worsening terms of trade had further aggravated the external indebtedness of the developing countries and virtually destroyed their growth prospects. Their *per capita* output as a whole had fallen for the first time since 1950. The weaker countries were the worst affected and for the poorest of them the first priority was no longer development but survival.

43. As the least developed and hence the most vulnerable region of the world, Africa was in a particularly serious plight. Even on optimistic assumptions, the average growth rate of the developing countries of Africa for the 1980s was unlikely to exceed 0.1 per cent. The report of the Committee for Development Planning on its eighteenth session (E/1982/15 and Corr. 1 and 2) showed that five more African countries were being recommended for inclusion in the list of the least developed countries. A situation in which Africa accounted for a mere 0.2 per cent of world industrial production—far short of the target proposed in the Lagos Plan of Action—was clearly unacceptable. The annual report of ECA (E/1982/21) indicated that as many as 22 African countries had, in 1981, suffered critical food shortages, which had not only exacerbated the problem of malnutrition but had also increased the region's dependence on food imports, which were a serious drain on foreign exchange reserves. It was therefore not surprising that Africa's total external debt had reached a new height of \$47 billion, at a time when net resource flows to the region had declined by about 5 per cent in real terms.

44. Immediate action must be taken to remove the external constraints affecting the economic prospects of all developing countries. It was a paradox that the spirit of international co-operation was flagging at a time when such co-operation was exactly what was required: to produce a revival of the world economy, the strong must co-operate with the weak, the rich with the poor, the great with the small and the North with the South. Yet the proportion of official development assistance channelled through multilateral institutions was shrinking; UNDP resources in real terms had declined in 1981; and IDA lending might have to be cut by almost a third because of the reluctance of certain donors to honour their original commitments. In the interest not only of the developing countries, whose need for additional financial resources was most pressing, but also of the positive impact which an accelerated development of developing countries could have on the developed countries, his delegation urged the developed countries concerned to change their attitude.

45. If lasting answers were to be found to the problems of the world economy, they would not lie in unilateral measures, which had proved counter-productive. On the contrary, concerted international action would be needed in practically all fields. Such action must include specific measures to promote world trade, and particularly the exports of developing countries. Serious efforts should be made to bring about a substantial increase in financial

flows on favourable terms and conditions from developed to developing countries, to facilitate the acquisition of technical expertise by developing countries, to promote their self-reliance in agricultural and food production, and to enable them to make the rapid advances in industrialization essential for self-sustained development.

46. There were several areas in which greater efforts could be made to speed up progress in international negotiations. For example, if the developing countries received international co-operation in the development of their own scientific and technological capacity, through the faithful implementation of the Vienna Programme of Action on Science and Technology for Development, that would not only serve those countries but would also lead to scientific and technical advances from which all countries could benefit. His delegation hoped that agreement would shortly be reached on the long-term arrangements for the United Nations Financing System for Science and Technology for Development.

47. Nigeria welcomed the fact that the Intergovernmental Working Group had completed its work on the formulation of a code of conduct for transnational corporations, although some further work appeared necessary before there could be a fully satisfactory and comprehensive code, a major desideratum of the developing countries. His delegation hoped that the Commission on Transnational Corporations, at its forthcoming session, would treat the matter with the urgency it deserved.

48. The time had come for certain developed countries to cease paying mere lip-service to the liberalization of international trade. The contraction of world trade adversely affected every country. A matter of particular concern to developing countries was the instability of international commodity markets. The developed countries could not hope to reap more than short-term gains from the current low prices for the developing countries' commodities, since substantial shortfalls in export earnings had curtailed those countries' demand for goods from developed countries. The negotiation of a number of international agreements to stabilize commodity prices should be speeded up.

49. Protectionist measures had been increasing in the developed countries, to the detriment of the developing countries' exports, despite the fact that they were against the interests of the developed countries themselves, which could benefit from investing in areas in which they enjoyed a comparative advantage. Those countries continued to resort to short-term policies rather than to seek a permanent remedy in a process of structural adjustment. The time had come to call for a lowering of barriers in order to permit greater trade access for developing countries.

50. The GATT ministerial meeting, to be held in November 1982, was an opportunity not to be missed for the expansion of world trade, particularly for the developing countries. His delegation was following with keen interest the preparations for the sixth session of the United Nations Conference on Trade and Development,

to be held in mid-1983; those preparations would largely determine its success.

51. His delegation shared the view that efforts to improve the financial and monetary system need not await agreement on the long-term restructuring of the system, since immediate answers must be found to such pressing problems as the developing countries' huge debts and their need for substantial development finance. It supported a number of the suggestions made by the Committee for Development Planning on such topics as the early resumption of SDR issues, the need for increased programme lending, the further relaxation of conditions for a greater proportion of IMF resources and the stepping up of official development assistance towards the target of 0.7 per cent of GNP laid down in the International Development Strategy for the Third United Nations Development Decade.

52. Food and agricultural production was of the utmost concern to most developing countries, not least in the African region, which was currently experiencing acute food shortages. The international community could make a significant contribution to the efforts of developing countries in a number of ways, by increasing the flow of financial and technical resources.

53. The special needs of Africa had led in 1980 to a historic summit meeting, the second extraordinary session of the Assembly of Heads of State and Government of the Organization of African Unity, at which the Lagos Plan of Action had been adopted to promote the accelerated development and collective self-reliance of the African countries. The decade of the 1980s had been proclaimed as the Industrial Development Decade for Africa, and the international community had since then made a solemn commitment to support for Africa through the adoption of General Assembly resolutions 36/180, 36/177 and 35/66 B, on special measures for the social and economic development of Africa in the 1980s, the Transport and Communications Decade in Africa and the Industrial Development Decade for Africa, respectively. His delegation hoped that that commitment would be backed up by further support from the international community. The attempts in certain quarters to prescribe a one-sided development strategy had been unequivocally rejected by African States. It was therefore gratifying to note from a number of documents before the Council that the organizations of the United Nations system would continue to implement their various programmes for Africa in the light of the Lagos Plan of Action.

54. Regarding the revitalization of the Economic and Social Council, his delegation would support any realistic measures to enable the Council to perform its central role in the discussion of the economic and social development problems facing the international community.

55. The successful conclusion of the United Nations Conference on the Law of the Sea was generally regarded as a major achievement in international co-operation, particularly since the Convention that had been adopted reaffirmed that the resources of the ocean bed were the common heritage of mankind. His delegation hoped that

the countries still having reservations on the Convention would reconsider their stand and join in an important enterprise which could make a major contribution to world development.

56. Another important point was the effort of the developing countries over the past year to intensify their mutual co-operation on the basis of the Programme of Action adopted at Caracas in 1981. There was an encouraging momentum in the promotion of economic development and collective self-reliance through economic co-operation among developing countries. His country was strongly committed to that objective. Economic co-operation among developing countries, however, was not a substitute for but a complement to wider co-operation between the developed and developing countries. His delegation therefore attached considerable importance to the early launching of global negotiations. It hoped that flexibility on the remaining minor details would make it possible to launch such negotiations without further delay. Progress towards that goal should offer a historic opportunity to reshape the world for the betterment of developed and developing countries alike.

57. Miss JONES (Liberia) said that the world was confronted with unprecedented problems which affected every citizen of every country. The very strategies that had been pursued with a view to providing a better life had become negative factors bringing untold misfortune to mankind. The same science that could prolong human life had brought about the world population explosion and given rise to the problem of sharing scarce resources among greatly increased numbers of people. Governments had become frustrated in their efforts to plan for such vast numbers, for which adequate statistics were difficult to find. The only body to which such problems could logically be brought was the United Nations, which would have to seek new and imaginative measures in order to deal with them. The long-held belief that everything bigger was better was not necessarily true. Smaller-scale planning and implementation still formed a useful strategy that could contribute to a world recovery programme.

58. It was paradoxical that, in the days when man had had fewer material comforts, he had been a better neighbour. Human attitudes were difficult to change, and any change took a great deal of time. Meanwhile, blind reliance on the world monetary system could not solve all man's economic and social problems. There were other means that could be used. For example, foreign aid might be given in the form of expertise and skills rather than of financial assistance. With the necessary political will on the part of Member States, the proposal for a world peace corps could make a vital contribution.

59. Given the gaps between needs and resources, only the united action of all peoples of the world could provide the necessary planning and services. The United Nations would have to face up to the challenge and launch global negotiations in an endeavour to bridge the gap between rich and poor. The Council's goal was to bring happiness to all mankind by the alleviation of human misery and

deprivation. In order to do so, it would have to shake off the straitjacket of traditional attitudes. For example, man had become dependent on hydrocarbon energy, but the reserves were finite; the sources for the satisfaction of man's energy requirements must thus be diversified.

60. The strategy her delegation recommended for development was that global negotiation should be approached through regional negotiation. World-wide development models were unsuitable, although the developing countries, which had neither the necessary capacity nor the resources, were striving to copy them almost blindly. Were there not substitutes for those models, on a more limited scale, which nations could apply as they were able to afford them?

61. Another area of concern was the development of trade at the internal, regional and world levels. To stimulate trade, there was a need in many developing countries to identify market opportunities and the gaps which they themselves could fill when traditional trading partners were unable to do so. The strategy of comparative advantage should be a flexible tool in the development of internal and external trade.

62. One of the greatest problems to be faced by the developing countries in a world recovery programme was to correct errors found throughout the world as a result of unplanned or poorly planned economic development. In the present disastrous state of the world economy, even those areas which had achieved some success appeared suspect, which made it impossible to establish new priorities. If prestigious projects were necessary, her delegation appealed to the rich nations of the North to balance them with an equally generous investment in international development assistance.

63. One of the United Nations agencies best equipped to play a major role in world recovery was UNDP. Her delegation therefore supported the Administrator's recommendation for a United Nations peace corps, whose task would be to prepare global economic development models on a scale appropriate for developing countries.

64. With regard to the need to revitalize the Economic and Social Council, it was essential to ensure a speedier response than in the past by UNDP and related agencies to the development plans and projects of each developing country. The technological needs of developing States varied and a technological package should be designed by UNDP and related agencies for each country. Emphasis should be on intermediate technology rather than expensive capital-intensive technology.

65. Her delegation wished to place on record its profound gratitude to the Secretary-General and the United Nations system for their sympathetic approach and understanding of the grave socio-economic problems existing in Liberia and for the generous responses of the world community. It hoped that the report of the Secretary-General (A/37/123) and his recommendations for the recovery of the Liberian economy would be approved not just as a gesture of co-operation to a particular country but as an important step in the world economic recovery programme as a whole.

66. Mr. BOYD (United Kingdom), speaking in exercise of the right of reply with regard to the statement made by the representative of Argentina at the 39th meeting, said that, on 2 April 1982, Argentina had chosen to ignore a call by the Security Council to refrain from the use of force and had invaded the Falkland Islands. That action was clearly contrary to the provisions of the Charter of the United Nations concerning peaceful settlement and the non-use of force and to the principle of the self-determination of peoples. As far as the principles of the movement of non-aligned countries were concerned, all but one of the non-aligned members of the Security Council had voted in favour of Security Council resolution 502 (1982), which had declared Argentina to be responsible for a breach of the peace and demanded the withdrawal of Argentine forces.

67. As for the charge of colonialism, it was nonsense. The Falkland Islanders were a people, a permanent population, qualifying, as others did, for the right to self-determination, embodied in the Charter and the International Covenants on Human Rights. Neither history nor sovereignty disputes could override that. The people of the Falklands had endorsed their system of government in fair and free elections, and the United Kingdom had fulfilled its obligations under Article 73 of the Charter.

68. The Argentine invasion had taken place shortly after the first round of new talks between the two countries, which had resulted in the communiqué issued in February 1982, to which the Argentine representative had put his name. It was Argentina that had broken off the negotiations and resorted to force. After the invasion by Argentina, the United Kingdom Government had taken part in good faith in lengthy discussions aimed at a peaceful solution to the crisis. Their failure was the responsibility of Argentina.

69. It was not a North-South issue. Few Member States failed to understand the principles at stake. The United Kingdom was entitled to resist the illegal use of force, and Security Council resolution 502 (1982) had made it quite clear who had been the invader.

70. As to the economic aspect, the representative of Argentina had referred to a variety of measures taken in response to those events. Those measures had been taken in the light of the facts with which Security Council resolution 502 (1982) was concerned. They had been appropriate to the situation and fully justified in ethics, politics and law.

71. Mr. TE (Observer for Democratic Kampuchea), speaking in exercise of the right of reply, regretted that the representative of the USSR had chosen at the 38th meeting to make provocative allegations against his country. That representative had referred to an announcement made by Moscow, and more recently by Hanoi, concerning a so-called "partial and unilateral withdrawal" of Soviet and Vietnamese troops from Afghanistan and Kampuchea respectively. In fact, two important recent events in Kampuchea had caused the aggressor to make such a manoeuvre: his defeat in the field during the last dry-season offensive, which had

resulted in considerable loss of life, and the formation on 9 July 1982 of the coalition Government of Democratic Kampuchea composed of all national forces opposed to foreign aggression. It was against that military and political background that the Vietnamese occupier, who was completely isolated, sought to deceive the world by announcing a so-called "partial and unilateral withdrawal".

72. The USSR representative had also said that the aggressor demanded that the international community should discontinue its support of the people of Kampuchea and recognize the Vietnamese administration installed at Phnom Penh. In fact, what the aggressor was demanding was nothing less than a reward for aggression.

73. His delegation was one of those which had expected from the Soviet Union, a great country, positive contributions designed to resolve the current international economic crisis. Unfortunately, that was not the case. The representative of the USSR had enabled members to understand why the Russian people continued to lack grain and why the chemical and biological weapons used in Kampuchea were manufactured and provided by the Soviet Union. That was the real point behind the announcement of a so-called "partial withdrawal". Without the \$6 million furnished daily by Moscow, the Vietnamese occupation would not have lasted so long and without the presence of 250,000 soldiers and thousands of Vietnamese administrative personnel in Phnom Penh, the puppet administration would have been unable to remain in existence for a single day.

74. Mr. TERREFE (Ethiopia), speaking in exercise of the right of reply, referred to the allegations made against his country by the observer for Somalia (39th meeting). It was well known that armed aggression and repeated provocations had always come from Somalia and not Ethiopia. The entire world knew that Ethiopia had been a victim of a series of unprovoked attacks by successive régimes in Somalia, resulting in the death of thousands of innocent citizens in Ethiopia.

75. Ethiopia respected the national unity and the territorial integrity of all States and was not in the habit of making wild and unsubstantiated accusations, as did the régime of Somalia in order to cover its own internal weaknesses, including economic bankruptcy, political disintegration and the mass persecution of religious, student and military leaders. Ethiopia was against acts of aggression and interference in the internal affairs of other States. Like all developing countries, it desired peace and tranquillity in order to tackle its own pressing economic and social problems.

76. It was therefore strange to hear the observer for Somalia, whose régime had committed such naked aggression against Ethiopia, condemn that country. It was not only Ethiopia but all peace-loving peoples of the world that strongly condemned Somalia's adventurist ambitions and repeated acts of armed aggression.

77. Mr. REPSDORPH (Denmark), speaking in exercise of the right of reply on behalf of the member States of the European Economic Community, said that

the Council of the European Communities had decided to suspend the economic measures adopted by it vis-à-vis Argentina as from 22 June 1982, in the expectation that there would be no further acts of force in the South Atlantic area. The Community and its member States hoped that hostilities had finally ceased in the region.

78. Mr. OSMAN (Observer for Somalia), speaking in exercise of the right of reply, said that his delegation categorically rejected the malicious allegations made against his country by the representative of Ethiopia, who had tried to misrepresent the current situation in the Horn of Africa. He had given a distorted picture of the Somali Government's position in an attempt to mislead public opinion with regard to the repression and genocidal war taking place in Ethiopia itself.

79. He rejected the allegation that a handful of dissidents in Somalia was waging a war against the Somali Government. Ethiopian troops, supported by experts from a super-Power, had been actively involved in the fighting, which had resulted in considerable loss of life and property.

80. Ethiopia had denied the existence of refugees. However, the fact that millions of refugees had fled from Ethiopia itself was evidence of the repression taking place in that country.

81. Mr. MARTINEZ (Argentina), speaking in exercise of the right of reply, said that it was only through the colonial system that a European Power could maintain itself in a territory 12,000 km away which had been taken by force from the Argentine Republic. It was clear that the Malvinas had been included by the United Kingdom in the list of dependent territories in respect of which it reported to the Assembly under Article 73 of the Charter.

82. It was easy to use high-sounding principles to justify aggression. His Government had replied to the arguments advanced by the United Kingdom in the Security Council and elsewhere.

83. The statement made by his delegation at the 39th meeting had been intended to demonstrate the illegality of economic aggression for political reasons. Nothing in

the reply of the United Kingdom representative nor in that of the representative of Denmark, speaking on behalf of the European Economic Community, had contradicted the Argentine statement. The objective of the large-scale military operation undertaken by the United Kingdom against Argentina had been to restore a military situation. The countries and organizations which had imposed sanctions against his country had done so exclusively for political reasons and had affirmed as much on several occasions. Under the Charter of the United Nations, however, only the Security Council could impose valid sanctions. It was clear that Security Council resolution 502 (1982), proposed by the United Kingdom, did not authorize that country to become the armed agent of the Council, nor had the Council provided for the imposition of sanctions against his country. The application of economic sanctions against Argentina was clearly illegal economic aggression, with the aim of maintaining the violation of his country's territorial integrity. The Governments of Latin America and the non-aligned movement had recognized that fact and the Economic and Social Council, as a principal organ of the General Assembly, could not ignore the question of economic aggression, of which, moreover, Argentina was not the sole victim.

84. Mr. TERREFE (Ethiopia), speaking in exercise of the right of reply, said that his delegation condemned the attitude shown by the observer for Somalia and rejected the allegations made by him.

85. Mr. OSMAN (Observer for Somalia), speaking in exercise of the right of reply, said that in his earlier remarks, he had merely been stating facts. A Government like that of Ethiopia was not in a position to condemn others for the persistent violation of international principles or to claim that it was peace-loving while it was actually engaged in committing aggressive acts against Somalia. The Ethiopian representative could not deny the facts of history.

The meeting rose at 6.05 p.m.