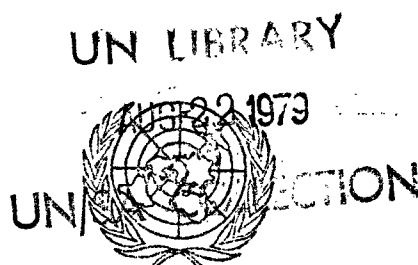


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FIRST (ECONOMIC) COMMITTEE

SUMMARY RECORD OF THE 17th MEETING

held at the Palais des Nations, Geneva,  
on Monday, 23 July 1979, at 3 p.m.

Chairman:

Mr. MATTAR

(Jamaica)

Later:

Mr. MAVROMMATIS

(Cyprus)

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The meeting was called to order at 3.20 p.m.

TRANSNATIONAL CORPORATIONS (item 9 of the Council's agenda) (E/1979/38; E/1979/104 and A/34/38, Part II) (continued)

1. Mr. TANIGUCHI (Japan) said that his country had participated actively in the work of the Commission on Transnational Corporations and had been glad to give its support to the report adopted at the resumed session of the Commission the previous week.
2. The Centre on Transnational Corporations tended to lay stress on the bad side of the activities of transnational corporations; he thought that it should adopt a more balanced approach and take into account the good side, too, such as the contribution of those activities to the expansion of the world economy. The information collected by the Centre was often somewhat second-rate, relying unduly on the mass media. He urged that it should endeavour to collect more reliable information in future.
3. His Government was keenly interested in the problem of illicit payments. Any international agreement that was reached on that problem would need to have the support of the maximum number of countries if it was to be effective and he hoped that endorsement of the agreement would not be limited to a single group of companies. The Council should devote as much as possible of the remainder of the session to discussion of the problem of illicit payments.
4. Mr. DE ANGELI (World Federation of Trade Unions) said that WFTU had been concerned with the question of elaborating an international instrument for the control of transnational corporations ever since that question had first been brought to the attention of the international community almost seven years earlier. He thought that the principles of the Strategy for Social Progress adopted by WFTU, which were still valid, should be used as a basis for such an instrument. If a New International Economic Order was to be achieved, the Commission on Transnational Corporations should concentrate attention on the aspects of the problem that had remained unchanged since they had first been discussed in United Nations forums: namely, the power of transnational corporations, with the sole aim of reaping maximum profits, to turn to their own advantage differences between capitalist countries in regard to labour legislation, the cost of manpower, the negotiating power of the unions, and levels of taxation. The two objectives of strengthening developing countries, on the one hand, and protecting the foreign investments of developed countries on the other should not be regarded as of equal importance. Any international instrument should enable the various United Nations agencies to play a role in dealing with specific aspects of the question.
5. WFTU agreed with the International Labour Organisation (ILO) that any instrument adopted should guarantee each country's national sovereignty over its natural resources and should ensure that transnational corporations were required by law to employ local manpower and that factory closures or the transfer of operations as a result of labour disputes were prohibited. The control by the transnational corporations of scientific and technological development had led to a dangerous situation in regard to the working environment; the instrument should therefore include provisions on working conditions, with specific reference to measures adopted at the international level. It should also require corporations to make available to trade unions the fullest possible information

not only on working conditions at their factories but also on such questions as composition of capital, changes of ownership or control, investment plans and the concluding of agreements with Governments. Such information was not always easy to obtain direct from the corporations. WFTU considered that participation of representatives of trade union organizations in the work of the Commission would be most valuable.

6. WFTU welcomed the adoption by the Commission of a resolution concerning the elimination of practices of apartheid and racial discrimination followed by the corporations. It had been decided at the recent International Labour Conference that trade union organizations were entitled to decide on any form of action designed to enforce economic sanctions agreed on by the United Nations against countries practising apartheid, racial discrimination or flagrant violation of human rights, and he urged the Council to draw the attention of Governments to that decision.

7. The adoption of an international instrument for the control of transnational corporations was of priority importance for the establishment of a New International Economic Order. Recent adverse developments in trade relations in the world monetary system, which had aggravated the problems of the developing world, were closely linked with the actions of transnational corporations, which were exerting pressure on Governments not to adopt policies of industrialization and economic development more suited to conditions in the third world.

8. He welcomed the work that had been done on the problem by the United Nations and its specialized agencies and hoped that before the start of the Third Development Decade world-wide support would have been achieved for an international instrument for control of transnational corporations.

9. Mr. FOMINE (Ukrainian Soviet Socialist Republic) said that among the useful studies carried out by the Centre on Transnational Corporations under its programme of research into harmful effects of the corporations' activities in various spheres of political, economic and social life were the reports on transnational corporations in world development, the reports on their impact on financial and social structures in southern Africa and the extent of their collaboration with illegal régimes in that area and the report on corrupt practices. In part, however, the Centre's research programme tended to run to diffuseness and to be too much taken up with such secondary matters as the activities of transnational corporations in advertising, and the provision of information and advisory services. Activities of that sort diverted the Centre from its main tasks and wasted the resources allocated for research.

10. The role of the Centre must consist essentially in carrying out analytical studies, objectively evaluating the real role and significance of transnational corporations in contemporary international economic relations, and showing the concrete results of their activities, especially their damaging effects on political and socio-economic relations in the developing countries. Priority must be given to such important questions as the harm done by the corporations to the cause of peace and international security and to the freedom and independence of nations; their role in intensifying the arms race in the capitalist countries and promoting the armaments trade; their interference in the internal affairs of particular countries and violation of their sovereignty;

relations between the corporations and trade unions and the working class; their role in environmental pollution; their exploitation of the broad masses of consumers; violations of human rights arising from their activities, and their activities in the territories of racist régimes in southern Africa. The Centre's research could play only an auxiliary rôle at the national level, since the formulation of national policy was a matter of the sovereign right of States. Its task must consist in providing assistance to the relevant intergovernmental bodies of the United Nations, in particular, the Commission on Transnational Corporations, in preparing their recommendations. The criteria adopted in investigating the activities of transnational corporations were not applicable to joint State and private enterprises in socialist countries. Studies must be based exclusively on official sources of information; all other material, including consultants' reports, must be carefully analysed and approved at the national level. In some documents produced by the Centre attempts had been made to refer, directly or indirectly, to joint State and private economic operations in the Soviet Union in connexion with the activities of transnational corporations. That approach was inadmissible; it could only give rise to confusion and create the impression that the Centre was predetermining the definition of transnational corporations.

11. The proposed new procedure for the immediate provision of services or information in response to requests made directly to the Centre by permanent delegations to the United Nations or by Governments was outside the Centre's proper sphere of activity. It could only lead to dispersal of effort and an unjustified increase in expenditure under the regular budget. His delegation considered that the existing procedure of carrying out studies at the request of the appropriate intergovernmental bodies, in particular the Commission on Transnational Corporations, was preferable to a system of individual requests.

12. Work on formulating the code of conduct, which had been proceeding for some years, must be based on the principle that the code related to the transnational corporations and not to recipient Governments of developing countries. Its provisions must be binding upon the corporations, not upon countries. His delegation therefore regarded section IV of the draft, proposing certain rights for transnational corporations and obligations on the part of Governments of recipient countries, as inappropriate for inclusion in the code, since it would amount to a violation of those countries' sovereignty.

13. Mr. RODRIGUEZ (Venezuela) said that the activities of the Centre on Transnational Corporations should be placed in the context of the programme of work adopted by the Commission on Transnational Corporations at its second session. The objectives of that programme of work were, firstly, to arrive at a better understanding of the nature of the economic, social, political and legal repercussions of the activities of the corporations; secondly, to promote the formulation of international agreements which would enhance the positive contribution that could be made by the corporations and eliminate their negative effects; and thirdly, to help to strengthen the negotiating abilities of host countries, notably developing countries, in their dealings with transnational corporations. He welcomed the setting up by the Centre of a comprehensive information system, but said that the information to be provided by the system must be objectively verified if it were to be of practical use. It would be unacceptable for that verification to be carried out by the transnational corporations, since they would tend to contribute only information favourable to themselves.

14. The various research projects carried out by the Centre had been of great value, notably those on the activities of transnational corporations in southern Africa, on the pharmaceutical industry and on the role of publicity in the activities of corporations. The Centre's programme for co-operation and technical assistance was also of great value to developing countries. He was glad to note that activities under that programme were increasing and that developing countries were participating in them to a greater extent. The programme should evolve to take in new areas of activity under the guidance of the Commission on Transnational Corporations.

15. He noted from paragraph 45 of the report of the Committee for Programme and Co-ordination on the work of its nineteenth session (A/34/38(part II)) that arrangements were being worked out which would result in projects of the United Nations Development Programme (UNDP) related to transnational corporations being forwarded directly to the Centre for action. He wondered whether that implied that the Centre would in future be able to implement such projects directly. He requested the Executive Director of the Centre to make available to the Committee copies of the draft agreement between UNDP and the Centre so that members could examine it in detail.

16. He was glad to see that substantial progress had been made by the Intergovernmental Working Group on a Code of Conduct for Transnational Corporations and hoped that in the forthcoming sessions of the Group work would have advanced enough to allow a draft code to be formulated. Substantial differences still existed between the developed countries who were members of the Group and the developing countries; the former envisaged the Code as an instrument to promote the activities of its corporations abroad, while the latter naturally saw it as a means of controlling the activities of foreign enterprises in their territory in order to maximize the positive contribution they could make to their economies and to eliminate the negative effects. The Code must be legally binding if it was to be effective; he hoped that that problem would be solved in forthcoming meetings of the Group.

17. The Committee on an International Agreement on Illicit Payments had made good progress, although some differences of opinion persisted on the range of application and the goals of a future agreement. Some countries considered that the agreement should simply provide for the extradition of those responsible for illicit payments, while others thought that internal legislation should be framed to permit fuller governmental investigation into crimes of corruption. He hoped that work on both the Code of Conduct and the Agreement would soon be concluded so that they could be adopted simultaneously.

18. Mr. SAHLGREN (Executive Director, United Nations Centre on Transnational Corporations) said that, although he did not have the text of the formal agreement between UNDP and the Centre available, a recent letter from the Deputy Administrator of UNDP stated that the Centre had received authority to act as executing agency of UNDP projects coming within the competence of the Centre and that arrangements had been worked out which would result in UNDP projects related to transnational corporations being forwarded directly to the Centre for action. Such arrangements were currently being negotiated in New York.

19. Mr. RODRIGUEZ (Venezuela) thanked the Executive Director for that information and requested that the Council should devote some time to informal discussions on the exact subjects to be covered by the agreement between the Centre and UNDP.
20. The CHAIRMAN said there would be no objection to the holding of such informal discussions.
21. Mr. KOSSAR (Iran) commended the way in which the Centre had succeeded in carrying out its activities despite the constraints with which it was faced and hoped that it would continue to work to meet the needs of the developing countries. He was glad to note the progress that had been made in the Intergovernmental Working Group on a Code of Conduct but drew attention to the importance of agreeing on a legal framework for such a code. The Code should not have any adverse effect on the investment climate, but should in fact improve it by creating an atmosphere of mutual trust.
22. He regretted that the report of the Committee on an International Agreement on Illicit Payments had not been ready in time for submission to the Commission at its fifth session, for he thought that the Commission was the appropriate body to take stock of the progress achieved both on the Code and on the Agreement. Although the Council, in resolution 1978/71, had accorded priority to the elaboration of the Code, his delegation, as a gesture of good faith, had agreed that a single Conference should be held to deal with both the Code and the Agreement late in 1980.
23. His delegation had voted in favour of the Commission's draft resolution on the activities of transnational corporations in southern Africa. As a matter of policy and principle, and in accordance with the relevant resolutions of the Council and the General Assembly, his Government had refrained from supplying petroleum and petroleum products to the racist minority régimes in that area.
24. Mr. vanden HEUVEL (United States of America) said that his Government believed that transnational corporations could give impetus to the development of the countries in which they operated by providing capital inputs, serving as an efficient mechanism for the transfer of technology and training and employing local labour as skilled workers and managers. It also recognized, however, that they could have negative effects on both their host and their home countries. While the corporations needed a favourable investment climate, such as was created by consistent, clear and equitable policies pursued by the host countries, the latter needed the assurance that the corporations would contribute to their national economic priorities and development efforts. The efforts of the Commission on Transnational Corporations had been directed to improving and clarifying the conditions in which the corporations operated, so that all could benefit from their potential.
25. His delegation commended the report of the Commission on Transnational Corporations on its fifth session. It shared the hope that the Commission would receive most of the draft report before the end of future sessions to allow time for it to be considered with due care.

26. The Commission had expressed support for the Council's decision to establish a new ad hoc intergovernmental working group on accounting standards, in whose work his Government was prepared to participate actively.

27. The Commission had considered reports by the Centre on Transnational Corporations on its activities, but many of them, particularly the sectoral studies, had been circulated too late for adequate consideration. His delegation hoped that that situation would be remedied in the future. It also hoped that the Centre would choose its priorities carefully and realistically within its ambitious programme of future activities, bearing in mind its resource limitations. His delegation expected accuracy, objectivity and usefulness in the work produced by the Centre and would continue to express its disapproval if those basic standards were not met.

28. The Centre had made substantial progress towards the establishment of a comprehensive information system. He hoped that it would embark on the collection of general data relating to transnational corporations, bearing in mind the need to select what was related to a clearly defined and generally accepted purpose and to ensure that the information collected was accurate and reliable. He looked forward to the establishment by the Commission of procedures to those ends. The Centre's technical co-operation programme had been expanded in recognition of its usefulness. His delegation fully agreed with the endorsement it had received from the Commission.

29. While regretting that more had not been accomplished, his delegation was pleased with the progress made in the negotiations on a code of conduct and agreed with the Executive Director of the Centre that it had been made possible by constructive efforts on the part of Governments on all sides, exceptional leadership by the Chairman of the Intergovernmental Working Group, and the innovative procedures adopted by the Group. The Group was entering upon an important new phase of the negotiations and his Government hoped that they could be speedily completed. It had accordingly decided to support the recommendation that the Council should accede to the request for three more two-week sessions of the Group.

30. The Secretary-General's report to the Committee for Programme and Co-ordination on the activities of the Centre (E/C.10/45) pointed out that developing countries had indicated a greater need for information on policies, laws and regulations and it had suggested that the Centre should shift the emphasis in its activities to meet that need. His delegation welcomed the expression by the Executive Director of the Centre of his intention to reorient its programme accordingly.

31. His delegation noted with concern the comment by CPC that the Commission's work programme was developed independently of the portion of the medium-term plan and programme budget relating to transnational corporations and it hoped that a single planning process would be instituted. It noted with regret that, in developing its comprehensive information system, the Centre had not consulted the Inter-Organization Board for Information Systems in order to ensure that the system would be compatible and co-ordinated with existing United Nations information systems. He hoped that such consultation would take place in future.

32. Turning to the report of the Committee on an International Agreement on Illicit Payments, he said that his Government had participated in efforts to achieve such an agreement, believing that it was a goal sought by all countries in their determination to eliminate such practices as bribery. It was in virtue of that belief that his Government had regarded the achievement of an agreement as a priority objective. In now urging that advantage should be taken of the progress which the Committee had achieved in preparing the ground for the convening of a diplomatic conference, which must be the next stage in negotiations, and in appealing to other delegations not to hold up progress by attempting to achieve some narrow political advantage, his delegation was not attempting to press others on in a direction they did not wish to take. If it were the case that some other Governments did not regard the elimination of illicit payments as an objective to be pursued, his Government would accept their decision. If, however, the elimination of illicit payments was still a universally agreed objective, he appealed to all countries to take the decisive step of agreeing to the convening of the diplomatic conference in 1980, which, he believed, would be recognized by the peoples of the world as an achievement by their Governments and as evidence of the fact that the Council was capable of taking decisive action in such an important matter. His delegation was well aware of the link that existed between the formulation of a code of conduct for transnational corporations and the attainment of an agreement on illicit payments. The two issues were, however, to some extent distinct and an agreement that was now within reach on the question of illicit payments could be achieved without in any way impeding advance towards agreement on the code of conduct.

33. Outlining the course of negotiation on that issue, he said that following upon General Assembly resolution 3514 (XXX) condemning all corrupt practices by transnational and other corporations, his delegation had, in 1976, proposed that the Commission on Transnational Corporations should undertake an effort to develop an international agreement on illicit payments. Since, however, it had been considered desirable to cover all international business transactions, not just those of transnational corporations, the matter had been referred to the Council, which in resolution 2041 (LXI) had established an Ad Hoc Intergovernmental Working Group and which had adopted further resolutions on that subject in 1977 and 1978 (E/RES/2212 (LXIII) and E/RES/1978/71).

34. As its history indicated, the effort to draft an agreement on illicit payments had been made in response to a universally held belief that bribery and other forms of illicit payments were morally reprehensible and had adverse social and economic consequences. It had also been recognized that any action to restrain the use of bribery required co-operative action by States. His delegation hoped that there had been no lessening of the sense either of condemnation of the urgent need for action. It was also obvious from the history of those negotiations and decisions that there had been a collective understanding that the issue of illicit payments went beyond the activities of transnational corporations and touched on all forms of international commercial transactions. Efforts should continue to be focused on the elimination of such payments whenever and however they appeared. Operative paragraph 7 of Council resolution 1978/71 provided for the convening of a plenipotentiary conference



to conclude an international agreement on illicit payments in 1980. The Committee on that subject had now produced a substantially agreed draft agreement. His Government was convinced that the next step was to convene a diplomatic conference to finalize the agreement, which it believed had a good prospect of success. His delegation had accordingly circulated informally to all members of the Council a draft resolution calling for the convening of a diplomatic conference not later than 30 June 1980 and inviting all States to attend. It was prepared to enter into either formal or informal consultations to that end. While it welcomed the call for the convening of a conference in 1980 in draft resolution E/1979/C.1/L.6 submitted by the Ivory Coast on behalf of the Group of 77, the linking of the conference to efforts to formulate the code of conduct posed serious problems for his Government.

35. He hoped that the practice of operating on the basis of consensus resolutions would be maintained. The issue at present under consideration provided an opportunity for the United Nations to show that it was capable of taking constructive and forceful action in the face of the problem of corruption against which all countries were bound to struggle.

36. Mr. Mavrommatis (Cyprus) took the Chair.

REGIONAL CO-OPERATION (item 7 of the Council's agenda) (E/1979/32 and Corr.1, 47, 48, 49 and Add.1, 50 and Add. 1, 51, 76 and Add. 1; E/1979/C.1/L.7)

37. The CHAIRMAN said that no introductory comments would be made by the Executive Secretaries of the regional economic commissions, who had already made statements in the plenary. He was happy to inform the Committee that, following informal consultations with the interested delegations, a consensus had been reached on questions arising from the reports of the Economic Commission for Western Asia (E/1979/49 and Add.1). As a result, four draft decisions were submitted to the Committee for approval (E/1979/C.1/L.7). Their financial implications were in the process of being studied by the Secretariat and would be notified to delegations before the Council took a final decision on the texts.

38. Mr. PICHUGIN (Union of Soviet Socialist Republics) observed that some of the decisions and recommendations adopted by the other regional commissions also appeared to have financial implications.

39. Mr. VORONIN (Secretary of the Committee) replied that the documents emanating from the regional commissions were being studied by the Budget Division, which would make the financial implications available to the Council when the issues in question were taken up.

40. The CHAIRMAN suggested that the four draft decisions relating to the reports of the Economic Commission for Western Asia on its fifth and sixth sessions (E/1979/C.1/L.7) should be approved by the Committee immediately, without prejudice to the right of delegations to comment, either at the present time or at a later stage, on the matters with which they were concerned. In draft decision II, the words "so that" should be replaced by the word "thereby", in accordance with the agreement reached during the consultations.

41. The draft decisions in document E/1979/C.1/L.7, as amended, were approved by consensus.

42. Mr. PACHACHI (Iraq) thanked the members of the Committee for endorsing the recommendation in resolution 67 (VI) of the Economic Commission for Western Asia, which called for the relocation of the headquarters of the Commission from Beirut to Baghdad with effect from 9 September 1979 and in accordance with a time-table to be agreed upon between the Iraqi Government and the United Nations. He was happy to inform the Committee that the arrangements being made by his Government to ensure the smooth transfer of ECWA to Baghdad were well advanced. The headquarters agreement between the Government of Iraq and the United Nations had recently been signed and the two buildings which would serve as temporary premises pending completion of the permanent buildings were in the process of being transformed to meet United Nations standards. The transfer was expected to be completed by April 1980. His delegation wished to place on record its appreciation of the co-operation shown by the United Nations officials who had visited Iraq in that connexion.

43. In the view of his delegation, the Committee's decision to postpone consideration of the recommendation in resolution 68 (VI) of the Commission, which was an expression of the collective desire of ECWA's members, would hamper the Commission's work and place its activities under some strain. In view of the fact that all States members of ECWA had severed their political and economic ties with Egypt, it would be difficult, if not impossible, for the Commission's economic co-operation and integration objectives to be achieved so long as that country, which had signed a so-called peace treaty with the Zionist entity, remained a member. He hoped that delegations would reflect seriously on the matter, which had a close bearing on the Commission's efficient functioning.

44. Mr. EL FATTAL (Syrian Arab Republic) said that the Government of Iraq was to be commended for the generous efforts it had deployed over the past two years in connexion with the relocation of ECWA's headquarters. The Government and people of Iraq were obviously totally committed to the Commission's goals and objectives, which were fully consistent with those of the Arab nation in that part of the Arab world.

45. By adopting decision II (E/1979/C.1/L.7), the Council was only postponing consideration of a recommendation which had been adopted unanimously by the Commission and in respect of which a decision could well have been taken during the current session. It should be emphasized that what was being requested was not Egypt's expulsion from ECWA but suspension of its membership until such time as the Egyptian régime ceased to co-operate with a régime that was still occupying territories six times as large as those allotted to it under the so-called partition plan adopted in 1947.

46. Consideration of the recommendation had no doubt been postponed because some groups of countries feared that a precedent might be created. Those countries could rest assured that such would not be the case, for there was no precedent in history for the capitulation of Egypt, which had sold the inalienable right of the Palestinian people to self-determination in return for the sand dunes of Sinai. There was no precedent for Egypt's collusion with the United States of America and with Zionism in respect of an area where the life and national existence

of 3 million Palestinians were in jeopardy, and it was impossible that such history could repeat itself. A country could surrender or be defeated but it was not entitled to sell the rights of others; in so doing, it detached itself from the ideals of the Arab nation and ceased to be Arab. His delegation, which bore no grudge whatsoever against the Egyptian people, considered that Egypt had both defeated and been defeated by peace.

47. Egypt's membership of ECWA had already been affected by the very fact that a debate had taken place in the Council and that resolution 68 (VI) of the Commission had been supported by all the Arab countries, both members and non-members of ECWA. Egypt was de facto no longer a member of ECWA, for it could no longer fulfil its obligations under Council resolution 1818 (LV). It had concluded contractual relations with the enemy that were contrary to the very concept of the existence of an Arab nation, religion, culture, body politic, unity and integration. Under the treaty it had signed, it had become a dependency of Israel, without whose approval it could not conclude any contract or treaty. Moreover, its sovereignty in all three zones of Sinai was still limited and would continue to be limited until such time as it decided to join forces with the Arab countries in the battle against Zionism. It was difficult to see how Egypt could be expected to co-operate with the Arab countries in promoting economic reconstruction when it was selling the enemy Arab oil from Sinai. It was equally difficult to see how the Arab countries could be expected to co-operate with a régime that had opened the Suez Canal to arms and tanks being delivered to South Africa.

48. In no circumstances could his country accept that Egypt should remain a member of ECWA. His Government had co-operated with the Egyptian delegation in order to facilitate a consensus concerning Egypt's admission to ECWA, but Egypt had subsequently done a disservice to the Arab nation.

49. Mr. KHADER (Observer, Palestine Liberation Organization) welcomed the Committee's decision to approve the relocation of the headquarters of ECWA and to endorse the Commission's medium-term plan. His delegation hoped that both decisions would provide ECWA with the stability it required for the performance of the tasks assigned to it.

50. Under its terms of reference, the Commission was required to adopt measures for facilitating co-ordinated action for economic development and construction, raising the level of economic activity and maintaining and strengthening economic relationships among the countries of the region, on the basis of economic integration. Indeed, it had been with that end in view that the States members of ECWA had recommended Egypt's admission to the Commission, for in normal circumstances that country could be a factor of integration and unity, a bridge between the eastern and western parts of the Arab world and a link between the Arab and African nations. Unfortunately, the policy followed by the Egyptian régime had isolated Egypt from the Arab world, created dissension and disequilibrium and undermined the cohesiveness that was a prerequisite for authentic co-operation among the countries of the region. Instead of serving as a bridge, Egypt had now become a barrier or rift. By normalizing its relations with Israel, the enemy, and signing a so-called peace treaty, the Egyptian régime had sacrificed the fundamental interests of the Arab nation and relegated the country to a position comparable to that of the enemy,

which was occupying Arab territory, massacring and oppressing Arabs and depriving them of their most basic human rights. Because the Egyptian régime had become the enemy's ally, it was only natural that it should be excluded from the Arab nation and, consequently, from ECWA. That did not mean that there was any hostility towards the Egyptian people itself, for which his delegation had the greatest respect; indeed, Egypt would certainly resume its rightful place in the Arab nation as soon as the present régime had been destroyed by the very policy it was pursuing.

51. Common decency should have led the Egyptian régime to suspend its participation in the activities of a body whose members had severed all relations with it. It was difficult to understand why that régime wished to maintain its presence in the Commission, from which it would be excluded de facto since the Council would not be able to force the Arab countries members of ECWA to co-operate with Egypt.

52. It was the sincere hope of his delegation that Egypt would soon assume its responsibilities once again and resume its place in the Arab nation. His delegation would then be the first to call for Egypt's reintegration in both ECWA and all the Arab and Muslim organizations from which the policy of capitulation and betrayal pursued by its President had excluded it.

53. Mr. AISSA (Algeria) said that, while his delegation welcomed the adoption of decisions I, III and IV, it had been reluctant to join the consensus in respect of decision II, which ran counter to the unanimous desire of the countries of the region concerned to suspend a member that had lately showed little inclination to respect the principles of fraternal co-operation. His Government continued to hold the view that, in the interests of regional co-operation, the representatives of the Egyptian Government should refrain from participating in the future activities of ECWA, for otherwise there was a real danger that those activities would be completely paralysed. The Council should take note of the fact that all the countries of the region considered Egypt's continued presence in ECWA to be undesirable; in those circumstances, any attempt to impose another will on those countries would do violence to established international custom and practice.

54. While his delegation had not opposed the consensus, it had the strongest reservations and considered that the matter was one which should be examined by the Commission itself in the light of Egypt's behaviour.

55. Mr. EL-SHAFEI (Observer for Egypt) expressed his appreciation of the consensus which had been reached on the draft decisions in document E/1979/C.1/L.7. As orally corrected by the Chairman, draft decision II stated unambiguously that Egypt's membership of ECWA remained unaffected. In view, however, of the remarks of the previous speakers, he felt obliged to state that his delegation had not asked that consideration of ECWA resolution 60 (VI) should be postponed.

56. All delegations which had spoken in the debate on agenda item 7 had been unanimous in emphasizing the importance of co-operation among the States of each region as a means of assisting the Council to achieve international co-operation in solving economic and social problems. Although a relative newcomer, ECWA had a good record in furthering economic co-operation between its member States. Egypt had joined ECWA as a result of the unanimous recommendation by the Commission in its resolution 37(IV), which had been endorsed in Council resolution 2088(LXIII). Since that time, Egypt's participation in the Commission's activities had been, in the words of its Executive Secretary, both active and effective and the latter had found Egyptian officials ready to co-operate in his visits to Cairo. A few Arab countries, however, had taken it upon themselves to halt Egyptian co-operation as a result of political differences of a temporary nature. At the Commission's sixth session, they had adopted a recommendation to suspend Egypt's membership, though it should be noted that the decision had not been unanimous. Egypt itself had totally rejected it and had put its position on record in document E/ECWA/84, the main points of which he would reiterate.

57. Firstly, Economic and Social Council resolution 1818(LV) establishing ECWA had defined its mandate as solely and exclusively economic and technical in nature and had furthermore directed it to take no action in respect of any member country without the agreement of the Government of that country. Secondly, Egypt was a member of ECWA by virtue of its membership of the United Nations and as a sovereign State enjoyed the rights, as well as undertaking the responsibilities, of such membership. Its membership of ECWA could not therefore be a favour extended to it by another group of countries, as was clear from paragraphs 152 and 153 of the United Nations Repertory of Practice on the membership of regional economic commissions. Thirdly, suspending membership of such a commission amounted to a measure of sanctions affecting the rights and benefits resulting from United Nations membership and clearly went beyond the competence of ECWA or the Council. Fourthly, as had been made clear in the statements of the Arab delegations to the Council in support of Egypt's admission to ECWA in 1977, the case for Egypt's membership was based on geographical, historical, economic, cultural, social and human affinities which could hardly be deemed to be subject to change.

58. The argument adduced in ECWA resolution 68(VI) in support of the recommendation to suspend Egypt's membership took no account of the reality of the relationships in every field which existed between Egypt and the other members of the Commission. For example, many thousands of Egyptians were engaged constructively on development projects in Arab countries, while thousands of students from such countries were pursuing their education in Egypt. Egypt itself wished to maintain that co-operation as long as it was mutually beneficial. Nor was the reference to circumstances which had led Egypt to redirect its course a valid argument. There were no circumstances current or future which would redirect the course of Egyptian co-operation with its partners in ECWA and its policies in that respect would never be subject to change. The political differences, however regrettable, were of a temporary nature and related to methods and not to the final objective. Similar problems arose in every region of the world and the essential task was to use every available channel to achieve agreed solutions.

59. The international community had spent many years of effort to build up a world-wide and regional system of international co-operation in all fields and every country should endeavour to preserve and reinforce that system which derived its strength from its universality. ECWA and all its members, including Egypt, stood to lose by the suspension of one of its members. The Council had taken a correct decision in refusing to act against its policies and objectives.

60. Mr. STIBRAVY (United States of America) welcomed the consensus decisions on the ECWA report, particularly that whereby Egypt's membership of ECWA remained in full force. In supporting the consensus, his delegation had had no doubt that the Government of Iraq, in its capacity as permanent host to a United Nations organization, would fully protect the rights of all members of ECWA, including those with which it might not have diplomatic relations - a principle which the United States Government had always scrupulously observed in respect of United Nations headquarters in New York. Since Egypt's full participation in ECWA activities had been questioned, his delegation wished to emphasize that the Council had just reaffirmed that all that country's rights, privileges and obligations as a member of ECWA remained exactly the same as those of any other member. His delegation fully expected that ECWA would respect the Council's decision, as it was bound to do.

61. Mr. EL FATTAL (Syrian Arab Republic), speaking on a point of order, said that the remarks just made by the representative of a super-Power implied threats to members of ECWA which were out of place in a democratic forum such as the Committee. Sabre-rattling by that representative, however, would not frighten anyone and his country could not impose its will on the members of ECWA.

62. Mr. STIBRAVY (United States of America) said that it had not been his intention to threaten. His delegation had the right to explain the meaning of the action which the Committee had taken. It was deeply disturbed at the unwarranted attacks which had been made against the United States and Egypt and at the condemnations of the Egypt-Israel peace treaty and of the whole process of peace-making in the Middle East. Such attitudes were not only unfounded and damaging to peace, they were also inappropriate in a forum such as the Council. After four futile and costly wars, the parties concerned had determined to pursue the path of negotiation, which had led to a treaty of peace as the first step to a comprehensive settlement of the Middle East conflict. Moreover, past experience showed that discussions of such issues in the Council merely jeopardized its real work, to which delegations should confine themselves.

63. Mr. EL FATTAL (Syrian Arab Republic), speaking in exercise of the right of reply, said that he wished to remind the Egyptian representative that at the time when Egyptian admission to ECWA had been recommended to the Council with the unanimous consent of the Arab group, that country had not yet committed an act of treason against the Arab nation in general and the Palestinian people in particular.

64. Mr. EL-SHAFFI (Observer for Egypt), speaking on a point of order, called on the Chairman to protect his delegation from unwarranted attack by putting a stop to the discussion, in accordance with the rules of procedure. He utterly rejected the language used by the Syrian representative against his government and people.

65. The CHAIRMAN requested the Syrian representative to confine himself to the matter under discussion.

66. Mr. EL FATTAL (Syrian Arab Republic) said that if the word "treason" was unacceptable, he would substitute the phrase "inglorious capitulation". At its Baghdad Conference, the Arab League had adopted measures against Egypt in order to safeguard Arab solidarity in defence of a cause on which Arab survival depended. The declaration had clearly stated that the signatories felt only brotherly co-operation towards the Arab people of Egypt, whose previous sacrifices on behalf of the Palestinian people they appreciated. No barriers had been raised against Egyptian workers entering Syria, although he himself required a visa to travel to Egypt. The only Egyptians attacked in the declaration were those who co-operated with the Zionist enemy. Furthermore, the declaration also stated that the measures would be withdrawn when the circumstances which had provoked them had ceased to exist. That was in effect the thrust of ECWA resolution 63 (VI).

67. The Egyptian representative had referred to his country's active participation in ECWA. At the Commission's fifth session, however, Egypt had not sponsored a single resolution. The reason for that was that the session had taken place when negotiations between that country and the Zionist enemy had been at their height. Egypt was not a free country - it was under the tutelage of the so-called peace treaty. It no longer co-operated with the other Arab countries, otherwise the Egyptian staff of the Arab League would be allowed to take up their posts in Tunisia.

68. Mr. AL-ATTIYAH (Observer for Qatar) congratulated the Iraqi Government on its excellent arrangements for transferring ECWA headquarters to Baghdad.

69. He associated himself with the views expressed by previous Arab speakers on the subject of Egypt's membership of ECWA. When an Arab brother country like Egypt entered into an agreement with Israel, Arab States felt they had strong justification for severing relations with it. As a logical consequence, it had been unanimously decided at the Baghdad Conference to recommend the suspension of Egypt's membership of ECWA thus facilitating the Commission's work by concentrating it constructively on its harmonious members. At the same time, he wished to make it clear that no Arab country was hostile to the Egyptian people. They were against those who were dealing with the chief enemy of the Arab nation.

70. Mr. DAVENPORT (Ireland), speaking on behalf of the European Economic Community, expressed its appreciation of the Chairman's efforts to achieve a consensus on the ECWA report. It accepted and supported that consensus as the Chairman had stated it.

71. Mr. ELIASHIV (Observer for Israel) said that Israel had again been subjected to a tirade of slander in an attempt to rewrite history. His delegation once more rejected the false allegations against his country. The Syrian representative's attack on the peace treaty gave him an opportunity to explain why Syria had no interest in a peace settlement in the Middle East - it was motivated by simple imperialism. According to a statement by the President of Syria, on 8 March 1974, Palestine was the principal part of southern Syria and it was both Syria's duty and its right to insist that Palestine should be a liberated part of Syria.

72. No problem could ever be solved except by negotiations, as called for by the Charter of the United Nations. Peace had finally been achieved in the Middle East after 30 years of conflict: it was an historic turning-point inaugurating a new era which deserved the full support of all those seriously concerned with the welfare of all nations in that region. It was the hope of Israel that a comprehensive settlement could eventually be achieved so that all nations in the Middle East could devote their resources and energies to social and economic development.

73. Mr. EL FATTAL (Syrian Arab Republic), speaking in exercise of the right of reply, said that when the President of Syria had described Palestine as part of southern Syria, he had added that Syria was northern Palestine.

74. The CHAIRMAN announced that the Committee had concluded its consideration of the decisions recommended to the Council.

The meeting rose at 6 p.m.