



SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. BOYA (Benin)
later: Mr. LOEIS (Indonesia)

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AGENDA ITEM 92: ACTIVITIES OF FOREIGN ECONOMIC AND OTHER INTERESTS WHICH ARE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES IN SOUTHERN RHODESIA AND NAMIBIA AND IN ALL OTHER TERRITORIES UNDER COLONIAL DOMINATION AND EFFORTS TO ELIMINATE COLONIALISM, APARTHEID AND RACIAL DISCRIMINATION IN SOUTHERN AFRICA: REPORT OF THE SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES (continued)

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The meeting was called to order at 10.35 a.m.

AGENDA ITEM 92: ACTIVITIES OF FOREIGN ECONOMIC AND OTHER INTERESTS WHICH ARE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES IN SOUTHERN RHODESIA AND NAMIBIA AND IN ALL OTHER TERRITORIES UNDER COLONIAL DOMINATION AND EFFORTS TO ELIMINATE COLONIALISM, APARTHEID AND RACIAL DISCRIMINATION IN SOUTHERN AFRICA: REPORT OF THE SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES (continued) (A/34/23 (Part III))

1. Ms. LUCAS (New Zealand) said that the Committee's principal goals, as reflected in the latest resolution on the item under consideration adopted by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (A/34/23 (Part III), para. 13), were just and urgent goals which her Government supported. It was clearly wrong that foreign economic interests should exploit human resources in South Africa with scant regard for the interests of the great majority of the South African people. There could be no question, moreover, that certain foreign enterprises had for many years supported the illegal régime in Southern Rhodesia and had exploited the resources of Namibia. Accordingly, New Zealand fully supported the United Kingdom initiative in convening the current Constitutional Conference on Southern Rhodesia and the efforts of five Western States and the Secretary-General to bring about true self-determination in Southern Rhodesia and Namibia.
2. While New Zealand had always supported the general principles and purposes of the resolutions adopted by the Fourth Committee on southern Africa, it believed that those resolutions had had serious shortcomings. They had failed to distinguish sufficiently between the situation in southern Africa and the quite different circumstances in Non-Self-Governing Territories in the Caribbean and the Pacific, and had been too sweeping in their condemnation of all foreign economic activities. Those activities which retarded the decolonization and self-reliant development of a Territory should, of course, be condemned. But foreign economic activities in Non-Self-Governing Territories were not by their very nature contrary to the interests of the peoples of those Territories; indeed, many such Territories with few natural resources relied heavily on foreign economic involvement. It was part of the administering Power's responsibility to promote the economic development of its Territories, and bilateral and multilateral aid and foreign investment might be part of that process. Such activity was sometimes essential for a Territory's development; indeed, it was often welcomed by the inhabitants of the Territory.
3. The Committee of the Whole Established under General Assembly Resolution 32/174 had reaffirmed that flows of bilateral and multilateral financial resources should be provided by developed countries on a continuous and predictable basis. A paper on industrial development submitted by the Group of 77 at the third session of the Committee of the Whole (A/AC.191/III/CRP.2) had emphasized the importance of direct

(Ms. Lucas, New Zealand)

foreign investment in the industrialization of many developing countries, had urged the developed countries to encourage their enterprises and investors to enter into mutually acceptable forms of co-operation with developing countries, and had called on the developed countries not to restrict the freedom of their enterprises to invest in developing countries.

4. The fallacies of an approach which simply reiterated a general condemnation of all foreign economic interests had been widely acknowledged. The Committee should now recognize that reality. New Zealand would support a realistic draft resolution on the question, and believed that overwhelming support could be gained if the appropriate distinctions were drawn. If, however, the draft resolution to be submitted for consideration at the current session simply repeated the previous rigid approach, New Zealand would once again have difficulty in supporting it. Her delegation welcomed the Chairman's assurances that the widest possible consultations would take place in the course of the drafting of the resolution.

5. Mr. Loeis (Indonesia) took the Chair.

6. Mrs. SADIQ ALI (India) noted that, for over a century, foreign economic interests had sought to establish control over Non-Self-Governing Territories basically with a threefold purpose: the control and exploitation of economic resources and cheap labour; the establishment of patterns of consumption and demand to suit the continuance of existing economic and industrial interests; and the displacement of local entrepreneurs by favoured foreign economic interests. Such activity perpetuated economic dependence and seriously hampered the ability of the people to express their political and economic choices.

7. The emergence of transnational corporations had further aggravated the situation. By a mixture of political calculations and commercial interest, transnational corporations had perpetuated economic colonization in a new form. As indicated in the report of the Special Committee (A/34/23 (Part III)), foreign economic interests, in collaboration with the illegal régimes of southern Africa, competed to deplete the natural resources of that area in total disregard of the rights of the overwhelming majority of the population. Such activities would deprive future generations in Namibia and Zimbabwe of their wealth while the present generation was forced to contribute cheap labour to help those enterprises to repatriate large profits. In Southern Rhodesia alone, more than £100 million had been invested by foreign interests in the mining sector since 1965, while in Namibia foreign interests exploited the natural resources at great profit to themselves and thus continued to support South Africa's illegal occupation of the Territory. Even the South African press had suggested that Namibia's mineral wealth would spur certain nations to ensure "stable political arrangements" in that Territory.

8. The search for respectability on the part of the illegal Rhodesian régime might also have been dictated by the need to attract new foreign economic interests and investment to the Territory. Despite recent developments, her Government had

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(Mrs. Sadie Ali, India)

supported all efforts to tighten loopholes in the sanctions adopted by the Security Council against Southern Rhodesia and would advocate their continuance until a solution acceptable to the Patriotic Front and leading to genuine majority rule and independence was achieved.

9. The legal and logistical camouflage provided by South Africa to conceal the expansion of economic activities which impeded the decolonization of Southern Rhodesia and Namibia served the same purpose. As the liberation struggle, led by the South West Africa People's Organization (SWAPO), the sole legitimate representative of the Namibian people, intensified, foreign mining interests were striving to deplete the Territory's strategic natural resources. Foreign economic interests not only paid revenue to the South African régime which enhanced the latter's capacity to continue its repressive policies in Namibia, but were motivated by the high profitability of such operations to exert pressure on their parent Governments to support South Africa's continued illegal occupation of Namibia. That fact, more than anything else, accounted for the continued non-implementation of Security Council resolution 385 (1976). The illegal claim that Walvis Bay was an entity separate from Namibia and was part of South Africa was also calculated to sever the natural links of Namibia with the outside world and damage its economy. Her delegation strongly condemned such a scheme.

10. The oft-used argument that not all foreign investment in southern Africa was detrimental to the interests of the local population and that the continued involvement of transnational corporations in that area could help to alleviate the suffering of black African labour was yet another facetious rationalization. The transnational corporations were motivated not by altruism but by profit. Between 30 and 50 per cent of the national product of Namibia was repatriated as profits and dividends. One single transnational corporation controlled 90 per cent of the base mineral production in Namibia, while much of the output of a uranium mining corporation was destined for the 'mother country' of another transnational corporation under long-term supply contracts at a fraction of the international price.

11. Even the so-called attempts to extend trade-union rights to black workers were largely cosmetic. In Namibia, as in South Africa, Africans continued to be confined to impoverished reserves. The few who were offered employment in the white sector were prohibited from forming labour unions, striking or changing jobs without authorization.

12. Undoubtedly, the root cause of the volatile situation prevailing throughout southern Africa lay with the Pretoria régime itself. The South African Government had built up a considerable military capability, not excluding a nuclear potential, and all its economic activities had been directed towards strengthening the economic base, which rested on the degrading system of apartheid. India reiterated its strong opposition to the economic and military - including nuclear - collaboration between certain Western and other States and South Africa.

(Mrs. Sadia Ali, India)

13. Foreign companies with investments already in South Africa appeared to be increasing their investments, largely from retained earnings, rather than withdrawing them. According to a recent study by the United Nations Centre on Transnational Corporations, the major incentive for investment in such enterprises in South Africa was the relatively short pay-back period. Clearly, such activities continued to help sustain the illegal régime in that country.
14. Her delegation strongly supported the imposition of mandatory economic sanctions against South Africa under Chapter VII of the Charter, including a comprehensive oil embargo, and urged those Member States which had traditionally been reluctant to agree to such action to join the majority in taking concrete measures to bring the Pretoria régime to reason.
15. Freedom and independence represented the ultimate yearning of the human spirit, whether in Zimbabwe, Namibia, South Africa or any other Non-Self-Governing Territory. Such a yearning would brook no delay; it could be denied by colonial Powers and racist régimes only at the risk of bloodshed.
16. Mr. SIDDIQUI (Pakistan) paid tribute to the memory of two gallant sons of Africa - President Houari Boumédiène of Algeria and President Agostinho Neto of Angola - whose dauntless struggle against colonialism and exploitation and courageous support of the oppressed was a glowing chapter in the history of the struggle for emancipation and human dignity.
17. It was deplorable that the resolutions of the United Nations, solemn declarations of the international community, and economic and moral sanctions continued to be flouted by foreign economic interests, which, guided solely by the profit motive, were continuing their exploitative activities. The disturbing trend that emerged from a study of the relevant chapter of the Special Committee's report (A/34/23 (Part III)) was that foreign economic interests continued to support South Africa's illegal occupation of Namibia both politically and financially and that the shameless exploitation of the natural and human resources of southern Africa and the massive repatriation of profits continued unabated. Such activity served to perpetuate the abhorrent system of apartheid and it was a sad commentary that the General Assembly's many condemnations, admonitions and appeals had failed to make any appreciable difference in that regard.
18. The very credibility of the United Nations was at stake if its struggle for peace, justice, equity and human dignity was defied by some of its Members. That was a challenge that must be accepted by all. The time had come to move beyond mere condemnation of those States which permitted the continued collaboration of economic and other interests under their jurisdiction in the exploitation of the resources of dependent Territories, and which thus pursued policies not in keeping with the Charter. It had been reported that, despite United Nations sanctions, the South African régime had been able to raise foreign loans amounting

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(Mrs. Sadiq Ali, India)

to \$165 million in 1978 which ultimately went to support its war machine and the perpetuation of its racist colonial rule. The United Nations should seek other ways and means to put an end to South Africa's defiance.

19. His delegation urged that all possible resources should be mobilized in the struggle. The General Assembly should take practical steps to mobilize public opinion against the activities of foreign economic interests in the colonial Territories and against those Governments which aided or abetted such activities. The United Nations should launch a vigorous and broad campaign, with the assistance of Member States, non-governmental organizations and individuals, to expose any kind of support of oppressive or racist régimes. Member States should give serious consideration to a comprehensive information programme aimed at arousing the conscience of the people with a view to compelling the economic interests and Governments concerned to abandon their rapacious policies.

20. His country had been in the vanguard of a struggle against exploitation and colonialism and reiterated its pledge to support any steps that the international community might take to further those objectives. It strongly supported the recommendations adopted recently by the Assembly of Heads of State and Government of the Organization of African Unity, held at Monrovia, and by the Sixth Conference of Heads of States or Government of Non-Aligned Countries, held at Havana, aimed at increasing solidarity with the peoples of Namibia, Zimbabwe and South Africa and eradicating imperialist interests and policies in those Territories. Foreign economic interests and their Governments should see the writing on the wall and avoid the catastrophe which was sure to befall them with the advent of freedom in those Territories.

21. Mr. HADAS (Hungary) said that colonialism had at the outset been motivated by economic considerations and that the last remnants of the colonial system continued to rest on economic interests. In recognition of that fact, the General Assembly had adopted increasingly strong resolutions on the activities of foreign economic and other interests which would have eliminated the problem entirely if they had been implemented in full. The relevant chapter of the latest report of the Special Committee of 24 (A/34/23/Part III) showed that, despite the resolutions adopted by the General Assembly, some companies operating in southern Africa had expanded their operations by absorbing weaker companies and had reported improved financial positions and success in their operations. With the impetus generated by foreign investment, the commercial sector in the countries of the region continued to expand. Furthermore, foreign interests were reported to have attempted to influence the political future of countries such as Namibia to their own advantage. The core of the problem was the dependence of the Western countries on South Africa and Namibia for supplies of a number of vital strategic minerals.

(Mr. Hadas, Hungary)

22. Despite the specific provisions of General Assembly resolution 33/40, foreign mining interests were expanding their plundering of the mineral resources of Namibia; the illegal régime in Zimbabwe seemed confident that international organizations and foreign economic interests would participate in the financing of an ambitious long-term agricultural development plan; more than 300 banks in nearly 20 Western countries continued to be involved in South African financial enterprises; and a major portion of the gross domestic product of the exploited Territories continued to be repatriated to foreign shareholders in South Africa, Canada, the United Kingdom, the United States and elsewhere. Furthermore, although resolution 33/40 condemned oil-exporting countries which supplied oil and petroleum products to the racist régime of South Africa, that country, after losing its supply of Iranian oil, had, according to recent press reports from Kuwait circulated by the Special Committee against Apartheid, received oil through secret deals with Egypt. Press reports also revealed that South Africa and the United Kingdom had recently concluded an agreement for the avoidance of double taxation; that South Africa had recently raised \$250 million with leading European banks; that a Japanese-South African trade conference had been held in Johannesburg in October 1978; and that British exports to South Africa had increased by nearly 15 per cent in 1978. Furthermore, it had been reported that a number of goods from the People's Republic of China had been observed in Johannesburg shops, although there was no available evidence of any direct trade between the People's Republic of China and South Africa; that foreign investment in South Africa had increased by almost 8 per cent during 1977; that direct investment from the European Economic Community had increased by 13 per cent and exports from South Africa to the European Economic Community had tripled in the past three years, and that sales of South African uranium had increased in the past five years from 70 million to 500 million rands a year.

23. Such facts showed the deep roots and strong interests linking foreign transnational corporations to the remaining colonial Territories. Those corporations did not hesitate to resort to bribery, fraud and even intervention in the domestic affairs of States to prolong minority rule and protect their high profits. Since the foreign monopolies would not withdraw their interests from the colonial Territories of their own free will, the Committee should not only condemn their support of the policy of apartheid and the minority régimes, but should mobilize the progressive forces of the world to find the proper way of forcing them to implement the provisions of the relevant United Nations resolutions.

24. Mrs. NOWOTNY (Austria) said that her country was firmly committed to decolonization, which it regarded as one of the most significant developments of the second half of the twentieth century. There could be no doubt that in various Non-Self-Governing Territories, especially Southern Rhodesia and Namibia, foreign economic activities were impeding progress towards independence. The economic situation in those two Territories, as outlined in the chapter of the Special Committee's report under consideration (A/34/23 (Part III)) gave rise to serious concern. In that connexion, she drew attention to a recent study prepared by the United Nations Centre on Transnational Corporations (E/C.10/51), which outlined the extent of the activities of transnational corporations in Namibia and Southern Rhodesia.

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(Mrs. Nowotny, Austria)

25. It could safely be assumed that transnational corporations were, by their nature and in their own interests, opposed to any sudden political or social change. She noted, however, that several of them had already responded to increasing scrutiny and criticism of their activities by re-evaluating their interests and obligations.

26. While much remained to be done, significant progress would not be achieved by wholesale condemnation. All international relations, whether North-South or East-West, were characterized by the growth of world-wide interdependence that had political, military, cultural, social and institutional dimensions. Foreign economic interests were a vital element in world industrial development, but Governments had to establish the rules under which those interests operated.

27. The very activities which slowed down progress to independence in Namibia and Southern Rhodesia might prove very beneficial in other Non-Self-Governing Territories where the political situation was not so complex. As had been clearly established in the previous reports of the Special Committee, as in the report now under consideration, Territories on the verge of independence, as well as those in the first years of independence, faced crucial economic problems: they needed outside help to tap their natural resources and to develop their economies. It was thus wrong to assume that all foreign economic interests were detrimental to the well-being of the inhabitants of Non-Self-Governing Territories. It was important to avoid generalizations and to strive for an impartial evaluation of the particular circumstances in each case. Above all, Member States should be aware of the dangerous temptation which they all faced to use the current debate for an expression of their own frustrations, uncertainties and doubts, as well as of their political and ideological interests.

28. Mr. SIMON (Grenada) said that the criminal, inhuman practice of apartheid which had become the official policy of the South African Government in 1948, had institutionalized the domination of 4 million whites over 12 million blacks, who suffered discrimination in wages and housing, as well as violence and massacres at the hands of the racist minority Government. Under the notorious Terrorism Act, black leaders were martyred as they struggled to liberate their land from the racist minority régime; even acts of solidarity by foreigners were severely punished. The United Nations had not been slow to attack apartheid but, despite the call for the release of political prisoners in General Assembly resolution 1881 (XVIII), black African leaders continued to languish in gaol and the dangers of an African holocaust increased. The Western countries continued to defy United Nations resolutions by investing enormous sums in South Africa, thus supporting the despicable South African régime in their insatiable lust for power and profits. South Africa was attempting to convert Namibia into a concentration camp in defiance of international opinion. The time for positive action was long overdue; what was needed was not mere words or pledges of solidarity but the launching of a struggle with every conceivable weapon to emancipate the captive people of southern Africa.

29. Mr. ABDEL-FATTAH (Egypt) said that the exploitation of the natural and human resources of colonial Territories continued, especially in southern Africa, with the expatriation of enormous profits and the infliction of great damage to the Territories and peoples concerned, whose national aspirations to independence and sovereignty remained frustrated. Although the racist régime in Pretoria indulged in various political manoeuvres, it never abandoned its real intentions of perpetrating its domination over the Territories and their economically and strategically valuable natural resources. The crimes of foreign economic and other interests continued, as they reinforced and supported the racist régimes in order to continue their exploitation of the natural resources of the colonial Territories. The main obstacle to efforts to force South Africa to leave Namibia and allow it to achieve genuine independence was the co-operation in economic and military areas extended to the racist régime by the Western countries and Israel. In Southern Rhodesia, the economic situation had weakened as a result of sanctions and the escalated war of liberation, and the illegal racist régime had been forced to create a puppet Government in an attempt to persuade some Western countries to lift the sanctions, despite the continuing call by international public opinion for the expansion of sanctions and further support for the armed struggle.

30. Egypt reaffirmed its opposition to foreign economic activities in all occupied Territories in southern Africa and rejected any economic, military or other contacts with the racist régimes of the region. Egypt would be true to its principles by providing material and moral support to the national liberation movements in southern Africa and would support the recommendations relating to southern Africa adopted recently at Monrovia and Havana. Finally, Egypt demanded that the natural resources of the Territories should be restored to the peoples concerned.

31. Speaking in exercise of the right of reply, he expressed his delegation's regret and astonishment at the statement made by the representative of Hungary alleging that Egypt had sold some of its oil to South Africa. He categorically denied the allegation and requested the representative of Hungary to refrain from such irresponsible and inflammatory allegations and to base his statements in the future only on authoritative sources and not on unconfirmed press reports.

32. Mr. HADAS (Hungary), speaking in exercise of the right of reply, said that the press reports to which he had referred had appeared in Bulletin No. 11 of 16 April 1979 and Bulletin No. 12 of 12 July 1979, issued by the Special Committee against Apartheid. He would be happy to know that Egypt had not supplied oil to South Africa since that would mean one less supplier of oil to that country.

33. Mr. ABDEL-FATTAH (Egypt), speaking in exercise of the right of reply, said that it was not appropriate to use press reports when speaking on such an important subject. The representative of Hungary should withdraw his allegation, which was based on false reports.

34. Mr. HADAS (Hungary), speaking in exercise of the right of reply, said that he had merely been quoting official United Nations documents and had in any case made it clear that his remarks were based on press reports.

The meeting rose at noon.